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Mengele on the Run: A Protector Speaks

By Richard House
International Herald Tribune

SAO PAULO — As Brazilian investigators prepared to begin major forensic work on remains alleged to be those of Josef Mengele, the Nazi war criminal, the man who claims to have sheltered him for the last years of his life has provided new details of what he said was Dr. Mengele's time in Brazil under an assumed identity.

Wolfram Bossert, 59, and his wife, Liselotte, 57, in an interview Sunday at a secluded forest hut that they said Dr. Mengele sometimes visited, denied having been in contact with any international network of postwar Nazi protectors.

"If an organization of Nazis really exists, then they should be ashamed not to have found any other protection or shelter for Mengele than a Hungarian couple or myself, who had nothing to do with it. I was 19 when the war ended," Mr. Bossert said. He denied that any organization had contacted him during the period in which he claims to have protected the war criminal.

The Bosserts say they sheltered Dr. Mengele at their farm from 1975 to February 1979, when, they say, he drowned in a swimming accident. They said Dr. Mengele disclosed his identity to them when he was certain that they would not give him away.

The search for Dr. Mengele began to focus on Brazil after West German police found a cache of letters last month leading them to a grave exhumed Thursday outside São Paulo. Officials have said that examination of the remains is expected to take as long as three weeks.

Opinions of officials and private Nazi hunters about the new clues to Dr. Mengele's whereabouts in the 1960s and 1970s have varied, and extensive police work remains before the claims about the life and death in Brazil of the man alleged to have been Dr. Mengele can be verified.

West German experts in Brazil said they believe the remains are those of Dr. Mengele, according to a report Monday in a West German newspaper, but an Israeli government spokesman said that Israel would continue efforts to catch him, news agencies reported.

"I've heard of the Odessa," Mr. Bossert said Sunday, referring to an organization believed to have helped take Nazis out of Europe after the war. "It probably existed, because Mengele obviously left Germany with someone's help. But I can guarantee that in our case there was no contact with anyone. I was alone with Mengele.

"Perhaps that's the reason why he was never discovered. If the circle had been wider then he could have been found."

Mr. Bossert said that Dr. Mengele, who had assumed the identity of an Austrian named Wolfgang Gerhard, was paranoically shy and would never go out without wearing a hat because he had been told that he had a very distinctive forehead. On the street he imagined that everyone was watching him.

"He wasn't so stupid to risk his life," Mr. Bossert said. "He was very cautious. He was the most sought after man in the world."

"He had a tremendous will to live; that's why he survived so long. He used all means available to ensure his security and protection," Mr. Bossert said.

"He was a very intelligent man. Don't forget he was an SS officer. Sometimes he'd sit and think about all the possibilities. When there was a news article about him, he'd sit thinking for hours, about where the news came from and if it was true or a police plant."

Dr. Mengele, who was known as the "Angel of Death," conducted gruesome medical experiments on inmates, particularly children and twins, at the Auschwitz concentration camp in Poland and sent hundreds of thousands of Jews, Poles, Gypsies and other prisoners to their deaths.

Mr. Bossert said: "Once you know someone well and become friends, someone who likes nature, children, animals and is interested in literature and philosophy, it becomes very difficult to believe that this person could have committed such cruel crimes. The police tell me that many criminals seem like angels, but I'm still in doubt."

"It's easy to say that knowing a criminal every citizen has an obligation to denounce him. But if you know someone intimately even if he's a wanted man — I just couldn't do it," said Mr. Bossert, who admitted that he had been a member of the Hitler Youth, but minimized its importance.

Mrs. Bossert quickly interrupted her husband, when he said that Dr. Mengele had lived so simply that he sometimes used torn or frayed clothes, to say that she had sewed for him. She said she had been dismissed last week from her post as a teacher after the

(Continued on Page 2, Col. 7)

The Associated Press

Wolfram Bossert and his wife, Liselotte, who say they harbored Josef Mengele, watch diggers exhume remains that they claim are those of the Nazi war criminal.

'He was a very intelligent man. He was an SS officer. When there was a news article about him, he'd sit thinking for hours.'
— Wolfram Bossert

Strength of Dollar Threatens Global Upturn, BIS Says

By Carl Gewirtz
International Herald Tribune

PARIS — The annual report of the Bank for International Settlements, widely viewed as the most forthright commentary about the international economic scene, warned Monday that the "speculative bubble" that has driven the dollar to levels "substantially divorced" from reality is a menace to sustaining the upswing of world economic activity.

Keeping up that economic momentum, the report said, "is the prerequisite for solving almost all other problems" — high unemployment in Western Europe, control over inflation, the debt crisis of the developing countries and stability in exchange rates and in international financial markets.

The dollar closed sharply higher in European trading, Page 13.

While the International Monetary Fund and the Organization for Economic Cooperation and Development have sounded similar warnings, neither has gone so far as the BIS in raising the specter of an impending financial crisis.

The concern in official circles is whether policies are adjusted to foster what is called a "soft landing" for the dollar or whether there is a "hard landing" that creates international turmoil.

"The stakes are high," the BIS stated, "and it is the duty of policymakers to do everything to avoid financial disturbances ... even if no one can attach any degree of probability to such an occurrence. Preparing the way for an orderly unwinding of the U.S. external imbalance should figure as a priority item on policy-making agendas."

The measure of this imbalance is the U.S. current-account deficit — trade in merchandise and services — which is at an annual rate of $115 billion. Part of this deficit results from the U.S. business recovery being stronger than elsewhere, drawing in more imports than other countries do.

But "the bulk of this deterioration has been brought about by the appreciation of the dollar, which has dramatically undermined the competitiveness of the entire internationally traded goods sector of the United States," the report said.

Noting that "there is no parallel for this phenomenon of an ever-strengthening currency based on ever-increasing capital inflows, with the current external account steadily deteriorating," the report warned:

"Even for the United States, however, there are limits to the current external deficits that can be run and the deterioration of the international investment position that can occur without loss of confidence in the dollar," it said.

Thus, the BIS echoes the International Monetary Fund and the Organization for Economic Cooperation and Development in urging speedy rectification of the U.S. policy mismatch, particularly the lax fiscal policy fostering a huge budget deficit and a relatively tight monetary policy that keeps interest rates and the dollar high. It is this mismatch, the BIS asserts, that has created the imbalances. Questions about whether the imbalances are "systemic" — requiring an overhaul of the international monetary system — are best delayed until national policies are better adjusted.

While the BIS, like the other institutions, believes official intervention in exchange markets can be useful — at the least just to remind speculators that rate movements can go in both directions — it cautioned that recent intervention may have been responsible for the increased volatility in exchange rates.

The intervention may have instilled a sense of caution when, following reports of slow first-quarter growth, faith in the dollar became less strong. With no currency having replaced the dollar, "the exchange market has become rather directionless," the report said.

But the BIS added that "large daily exchange-rate movements with little overall change may be less harmful than unidirectional movements that carry rates to levels that are unsustainable in the long run."

Turning to the role that Japan, West Germany and Britain might play in relieving the United States of its role as locomotive of the economic revival by embarking on a policy of fiscal stimulus, the BIS noted that all three have so far refused to follow such a policy course.

While accepting the logic of the refusal, the BIS advised:

"Just as the best time horizon for successful domestic policies is the medium or longer run — except in cases of an impending financial crisis — international policy coordination should also be conceived within that time horizon."

It also urged these countries "to speed up, perhaps even radicalize, their efforts towards removing structural rigidities" as a means of improving their own growth prospects.

But its major emphasis was on "the great need for far-reaching changes in the way prices and wages are set" to make both more flexible and responsive to changing conditions.

"Quite bluntly, something has gone basically wrong in the way prices are set in many Western industrial countries, first and fore-

(Continued on Page 17, Col. 5)

UPI

Claus von Bulow

Jury Finds Von Bulow Not Guilty In 2d Trial

The Associated Press

PROVIDENCE, Rhode Island — A jury found Claus von Bulow not guilty Monday of twice trying to murder his wife, an heiress, with insulin injections.

The verdict ended a four-year ordeal for Mr. von Bulow, who had been convicted of the same charges at an earlier trial.

Cheers were heard in the crowded courtroom as the verdict was announced, and prosecutors were booed by about 150 people outside the building as they left.

Mr. von Bulow, who was indicted in July 1981 on the two charges of assault with intent to commit murder, dropped his head into his hands as the verdict was announced. He then smiled, shook hands with his attorney and embraced his lover, Andrea Reynolds, who was weeping.

"I'm very relieved, and above all I'm grateful to my attorneys," Mr. von Bulow said later. He said he now would try to lead a quiet life.

Mr. von Bulow said the most difficult part of the trial was not taking the stand in his own defense, but that he had to agree with his defense attorneys' approach that it

(Continued on Page 2, Col. 5)

Reagan To Retain SALT-2

He Says U.S. Will Destroy A Submarine

The Associated Press

WASHINGTON — President Ronald Reagan told Congress Monday that the United States would adhere to SALT-2, the unratified Strategic Arms Limitation Treaty, and he warned Mikhail S. Gorbachev, the Soviet leader, to correct Soviet violations of the accord.

"The United States has fully kept its part of the bargain, however, the Soviets have not," Mr. Reagan said in a statement.

To keep the United States under the limit of multiple-warhead missiles allowed by the accord, President Reagan said he intended to order the dismantling of a Poseidon submarine when a new Trident submarine puts to sea this fall.

But the national security adviser, Robert C. McFarlane, who read Mr. Reagan's statement to reporters, said the United States might rebuild and reconfigure the Poseidon for use as a training vessel "or for some other purpose" — as he said the Soviets have done in at least one case.

Mr. Reagan cautioned the Soviet Union that any lapses on its part involving the strategic arms limits would prompt "proportionate responses" from the United States, U.S. officials said.

The 1979 strategic arms limitation treaty, signed by President Jimmy Carter and Leonid I. Brezhnev, was condemned by Mr. Reagan, before he won the presidency, as "fatally flawed." Washington put off action to ratify the treaty after the Soviet Union intervened in Afghanistan in December 1979. The treaty expires at the end of the year.

The president's decision on the arms pact, made over the weekend at his Camp David retreat in Maryland, does not promise open-ended U.S. adherence to the ceilings the treaty places on intercontinental missiles based in ground silos or multiple warhead systems based on missiles or carried by submarines and bombers.

Mr. Reagan's action is designed to carry the United States past the next point of decision: scheduled sea trials in September for a nuclear submarine, the Alaska, whose 24 multiple-warhead missiles would take the United States over the 1,200 limit set by the treaty.

In his letter to Mr. Gorbachev, Mr. Reagan accused the Soviet Union of "extremely serious" violations of the agreement but expressed hope that negotiators now meeting in Geneva would produce a new accord, a U.S. official said.

The decision was seen as a victory for arms control advocates and a defeat for Secretary of Defense Caspar W. Weinberger.

Mr. Weinberger had urged the president to abandon the treaty, which the defense secretary referred to as a "pseudo" accord, said a Pentagon official who did not want to be identified.

Mr. Reagan, in two reports to Congress, has accused the Soviet Union of a number of violations of the strategic arms treaty and of other arms control agreements.

Specifically, he has charged that the Soviet Union tested two new intercontinental ballistic missiles, the SSX-24 and SSX-25, one more than the treaty permits.

Last of Israeli Units Leave Lebanon; Peres Urges Peace Talks in 3 Months

Reuters

METULLA, Israel — The Israeli Army withdrew its last units from Lebanon on Monday but left military advisers and plainclothes agents behind to watch over the southern border zone, generals at the frontier said.

In Jerusalem, Prime Minister Shimon Peres told parliament, "Israel is completing its departure from Lebanese land and from Lebanese politics.

"In the Arab world there were rumors that Israel had its eyes on Lebanese land or water from Lebanese rivers or on Lebanese politics," he said. "All these rumors have now proved to be baseless.

"The departure of the Israel Defense Forces from Lebanon not only ends our presence in Lebanon but also puts a halt to the fears that our presence had raised," he said.

In his address to the Knesset, Mr. Peres also issued an Israeli plan for opening direct Middle East peace talks with Jordan and Palestinian delegates within three months.

The plan for peace talks, which contained no sharp departures from previous policy, called for continuing consultations among the United States, Israel, Jordan, Egypt and Palestinians who are not members of the Palestine Liberation Organization.

As the final contingent of 30 tanks rolled across the frontier, women soldiers rushed forward to embrace arriving troops and pinned paper flowers with the words "Welcome Home" on their uniforms.

Generals said the army had now pulled out its last unit, ending a three-year occupation that cost Israel 654 dead and divided the country as never before.

Israel's three-stage pullback began in February. It was due to have been completed last week on the third anniversary of the June 6, 1982, Israeli invasion.

No official reason was given for the delay. Western experts speculated Israel wanted more time to strengthen the Israeli-backed South Lebanon Army that is positioned in a security strip in Lebanon just north of Israeli border.

Israel has said it would turn over the security zone it has established, 8 to 12 miles (about 12 to 20 kilometers) deep in places, to the South Lebanon Army. The Israelis say the mostly Christian force numbers about 2,000 men, but security sources say its fighting strength is closer to 500.

An undisclosed number of Israeli advisers and troops were expected to remain in the zone to aid the Christian force.

Hours before the last units pulled out Monday, two Katyusha rockets fired from Lebanon exploded at Moshav Shomera, an agricultural settlement on the border.

The rockets, which caused no damage, were the first to land in Israel since the withdrawal began.

"No one who deals with Lebanon ever claimed that we should not anticipate Katyushas," said Uri Lubrani, Israel's coordinator for Lebanon. "The border cannot be sealed hermetically."

Army attack helicopters were sent into southern Lebanon in an effort to seek out the guerrillas responsible for the attack, security sources said.

The 1982 invasion was launched with the declared aim of driving Palestinian guerrillas out of rocket and artillery range of northern Israel and destroying their bases in southern Lebanon.

Outlining his peace proposals in an address to parliament, Mr. Peres rejected the call by King Hussein of Jordan for an international conference that would include the Soviet Union.

He urged that the direct talks open within three months and be attended by the United States.

Palestinian delegates should represent Arab residents of the Israeli-occupied West Bank and Gaza Strip, he said, without going into detail. Israel has already rejected participation of members of the Palestine National Council, which

(Continued on Page 2, Col. 1)

Camera Press

Shimon Peres

Craxi Wins Referendum Over Wages

By E.J. Dionne
New York Times Service

ROME — Italian voters rejected Monday a referendum sponsored by the Communist Party designed to overturn a key element of the government's economic austerity program.

The defeat for the Communists' proposal was a victory for the Socialist prime minister, Bettino Craxi, who said he would resign in "one minute" if the referendum were approved. With four-fifths of the voting districts counted, the referendum was turned down, 54 percent to 46 percent.

The balloting was on a Communist proposal to repeal the government's decision to cut back on the automatic wage increases that workers get under Italy's *scala mobile*, or moving staircase, the mechanism that protects them against inflation.

The proposal would have restored 4 percentage points in pay increases that the government cut out of the scale in an effort to

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INSIDE

TOMORROW

U.S. hospitals are placing restrictions on organ transplants for foreign citizens.

Air Raids Alter Tehran Way of Life

Many Commute Nightly to Countryside to Avoid Bombs

By Pierre Taillefer
Agence France-Presse

TEHRAN — In the past two weeks, the war with Iraq has returned with a vengeance to Tehran, bringing a new type of commuter rush hour aimed at avoiding the air raids now occurring nearly every night.

The change in Tehran residents' way of life has been caused by 23 air raids since May 25, by the resulting casualties, by rumors fed by the authorities' refusal to give official figures about them and by the destroyed buildings.

Tehran is now divided between those who prefer hours of traffic jams in order to spend the night cramped in their cars and those who would rather take their chances in the city.

For those who leave, the process begins shortly after school, or work. From 5 P.M. to 6 P.M., tens of thousands of people pack mattresses, blankets, food and clothing into and onto their cars and then inch their way toward the foothills of the Elburz range, north of the city, or to the orchards to the south.

Latecomers arriving at their destination sometimes must travel further to find a roadside parking spot since the ribbon of cars can extend more than 20 to 25 miles (about 32 to 40 kilometers).

If the weather is good, the evening can begin pleasantly. Shish kebab sizzles on grills, tea samovars simmer over coals, children play with new friends, adults converse quietly.

But the festive air disappears as twilight deepens. When Iraqi planes appear over Tehran, and as the flash of anti-aircraft guns punctuates the night sky, the fear becomes more palpable.

The anxiety mixes with discomfort as those without tents, or wary of the snakes and insects outside, try to sleep in their cars. By morning, the evening's fun and the night's anxiety have dissolved into irritability with the prospect of a slow, four- to five-hour drive back to the city.

When the Iraqi planes arrive over Tehran, the first warning comes by radio: "Lights out, lights out." Cars stop, and streetlights are replaced by the eerie glow of security forces' flashlights dimmed with blue-painted filters.

The security men scold those who keep their radios too loud, or their cigarettes lighted.

The second warning is accompanied by sirens: "Attention, attention, red alert. Go to the shelters."

Some apartment dwellers leave their homes for wide streets, where they are less fearful of falling shrapnel than of falling buildings.

Others go to air raid shelters in their buildings although most Tehran apartment buildings are flimsy and are likely to bury anyone in their cellars if they take a direct hit.

Most who stay in the city, whether at home or in shelters, keep their money, jewels and identification papers with them and have a flashlight and radio at hand.

There have been 23 such raids in the past 16 days. They have created several new markets: for "ready-made" shelters, for tranquillizers and sleeping pills, for mass transport to the countryside and for sublet dwellings in the suburbs.

The raids have also helped thieves who use the exodus to clean out homes abandoned for the night.

■ **Missile Strike on Baghdad**

Iran reported a long-range surface-to-surface missile strike on Monday on Baghdad, the third such attack on the Iraqi capital since May 26, Reuters said. Iran's national news agency, IRNA, monitored in London, said the attack was launched at sundown in retaliation for Iraqi air raids.

Baghdad residents reported a large explosion. There were no immediate reports of damage or casualties.

Long-Range Problems Face U.S. Computer Industry

By Andrew Pollack
New York Times Service

SAN FRANCISCO — Advanced Micro Devices Inc., a maker of computer chips, celebrated last Christmas with typical Silicon Valley flamboyance — a $700,000 employee Christmas party featuring entertainment by the rock group Chicago and a 50-piece orchestra.

Six months later, Advanced Micro is making its employees work longer hours for no extra pay and will close its factories for two weeks to cope with plunging earnings and possible losses. It has introduced an austerity program called Staunch, which stands for "Stress Those Actions Urgently Needed to Check Hemorrhaging."

The computer industry, long considered one of the industrial bright spots in the United States, has plunged into a sudden, deep and unexpected slump that shows no signs of disappearing.

The slowdown has proved a rude shock to an industry that has always believed in its own boundless future. Some executives are beginning to suggest that the old days of extravagance may be gone for a long time.

"It's the worst downturn in my experience," said W.J. Sanders 3d, chairman and chief executive officer of Advanced Micro Devices.

Hardly a day passes without a company in the field announcing a temporary plant closedown or layoffs. In recent days, National Semiconductor Corp., another maker of computer chips, said it would lay off 1,300 workers, while Wang Laboratories Inc., a producer of computers and word processors in Lowell, Massachusetts, announced 1,600 layoffs and said it would lose money for the first time.

Slowdowns in the computer industry have occurred before, but this one appears to be different. What worries the industry and outsiders about this downturn is that it comes at a time when the economy, while not robust, is not in a general recession. This suggests that other factors are at work that could be more permanent.

This slump also seems more pervasive. The personal computer boom continued through the 1981-82 recession, for instance. But no segment of the electronics business, with the exception of military electronics and aerospace, has escaped this time.

Such companies as Hewlett-Packard Co., Digital Equipment Corp. and Wang, once paragons of American technology, are having difficulties.

So are Apple Computer Inc. and Computervision Corp., which soared through the 1981-82 recession. Even International Business Machines Corp. has seen its earnings slump.

Never before, experts say, has it been so hard to earn a profit in the computer industry. To find out why, executives and analysts who follow the industry were interviewed in the past few days. What they see is an industry facing problems, many of them new, that may not be resolved soon.

Industry executives differ as to the causes of the slump and about how long it will last. "We're having a hard time correlating what's going on," said John A. Young, the president of Hewlett-Packard. Some, like Mr. Young, think the technology industry will rebound eventually. Others think it is going through a major restructuring and will never be the same.

"There is danger here," said Andrew S. Grove, president of Intel Corp. "This is not another slowdown. It's a shakeout. A whole lot of companies won't come out of it anywhere near the way they went in."

Many explanations of the problems are offered. Certainly the strength of the U.S. dollar has hurt exports of technology, and weakness in the manufacturing sector of the U.S. economy has slowed computer and semiconductor purchases. Some companies are victims of their own mismanagement or of competition from IBM, the largest computer company by far.

The main problem appears to be not lack of demand but oversupply of products and overcrowding of companies into the market. Also, foreign competition is taking its toll on U.S. computer companies. For the first time last year, the U.S. balance of trade in electronics showed a deficit.

There is widespread agreement, too, that the computer industry is feeling the pain of its own excesses. Too many companies specializing in the same things have been formed, each lured by potential riches and each believing in its own success. In a time that has been widely hailed as the era of the entrepreneur, many people think the computer industry is suffering from the ill effects of the entrepreneurial spirit run amok.

"All that overdoing comes

(Continued on Page 6, Col. 7)

'All that overdoing comes home to roost a few years later.'
— Simon Ramo, Founder of TRW Corp.

LAT

Simon Ramo

UN Aides Begin Probe On Taking of Finnish Hostages in Lebanon

By Edward Walsh
Washington Post Service

JERUSALEM — United Nations officials began an investigation Monday into the deadlocked hostage dispute that began Friday between the UN peacekeeping force in southern Lebanon and the Israeli-backed South Lebanon Army.

A French brigadier general, Jean Pons, who is the deputy commander of the United Nations Interim Force in Lebanon, or UNIFIL, was put in charge of the investigation into the incident. More than 20 Finnish soldiers from the UN force were abducted by the South Lebanon Army.

The militia, with the backing of its Israeli sponsors, was holding 21 of the Finns and demanding that the rival Shiite Moslem militia Amal release 11 South Lebanon Army militiamen who were captured Friday. Israel and the South Lebanon Army have charged that a Finnish unit of UNIFIL assisted Amal in the capture of the 11 militiamen.

[Finland condemned Monday the seizure of its troops in southern Lebanon and appealed to the UN and "relevant" governments to take urgent steps to release them, Reuters reported from Helsinki.]

Timor Göksel, the UNIFIL spokesman, said UN officials were informed Monday that the 21 Finnish captives have been moved to the southern Lebanese town of Marjayoun, where the South Lebanon Army of Antoine Lahad has its headquarters.

Mr. Göksel said that UNIFIL liaison officers met with an official from the South Lebanon Army on Monday in an attempt for UN medical teams to gain access to the Finnish soldiers. But he said that no agreement was reached because the militia was demanding a meeting with the 11 men being held by Amal.

"The problem is that they have our men but we don't have their men," he said.

Mr. Göksel described the investigation headed by General Pons as a "routine, in-house inquiry" that is required after any serious incident. He denied widespread reports in Israel that it was ordered by the UN secretary-general, Javier Pérez de Cuéllar.

As the hostage dispute continues, Israel apparently is hoping to use the incident to gain concessions from UNIFIL for the de facto recognition of the South Lebanon Army, which is trained, equipped and financed by the Israelis.

Last of Units Quit Lebanon

(Continued from Page 1)

functions as a Palestinian parliament in exile.

Mr. Peres told parliament the plan entailed enlisting support from permanent members of the UN Security Council for direct talks among Israel, Jordan and the Palestinians.

His move followed a Jordanian call for an international conference including the Soviet Union and the United States, as well as Britain, France and China.

Israel and the United States oppose such a conference. Mr. Peres' proposal to seek Security Council backing was an apparent response to King Hussein's call for an international umbrella for the talks.

"Despite the obstacles and the difficulties along the way, it is possible to reach direct negotiations," Mr. Peres said.

He said Israel was willing to make "a major contribution."

"It is possible that there is a change in atmosphere in the Middle East," Mr. Peres said. "It is possible that an opportunity has been presented, that it is forbidden to miss."

Reuters

Some of the Finnish members of the UN peacekeeping force who are being held hostage by the South Lebanon Army.

Beirut Gunmen Seize U.S. Educator

Reuters

BEIRUT — Unidentified gunmen have seized a U.S. citizen who is a dean at the American University of Beirut, in what might have been an attempt to capture the university's president, Calvin Plimpton, university sources said Monday.

Thomas Sutherland, 54, dean of the university's agricultural and food sciences faculty, was ambushed Sunday on his way from the airport to his campus residence.

Suggesting that the attackers may have missed their real target, a university source said: "Plimpton was supposed to be on the same flight but changed his mind at the last moment and canceled."

After firing at the tires of the car, the gunmen, traveling in at least two vehicles, grabbed Professor Sutherland but let his driver go, according to the university spokesman, Radwan Mawlawi.

Professor Sutherland had no bodyguard and "never let us feel he was afraid of anything," the spokesman said.

The professor, who is from Fort Collins, Colorado, was the fourth Westerner on the university staff to be abducted in six months.

Professor Sutherland, who was born in Scotland, has a wife and children, all in the United States.

No group has yet claimed responsibility for the abduction.

The seizure of the dean underlined the insecurity in Beirut, where Shiite Moslem forces took their siege of Palestinian refugee camps into the fourth week. Also, there were clashes along the line dividing Moslem West Beirut from Christian East Beirut.

As sporadic shooting and shelling continued around the camps, officials of the International Committee of the Red Cross voiced concern that they had not been allowed to evacuate wounded from the Palestinians' Borge Barajni refugee camp for more than a week.

"We have been on stand-by for further rescue operations but we have not been given the necessary security guarantees," a Red Cross official said.

The Red Cross has moved 93 wounded from Borge Barajni in earlier evacuations, but officials who accompanied a UN relief convoy into the camp on Saturday said about 300 sick or wounded people were crowded in its only hospital.

Red Cross ambulances have been denied access to the Chatila camp, where Palestinians say about 180 wounded persons are trapped in a mosque. Long after fighting stopped at the nearby Sabra camp that was captured by Shiite Amal militia forces, the Red Cross was allowed in to remove 12 bodies.

More than 520 people have been killed and 2,200 injured since the Shiites began their assault on the camps. The attacks are said to aimed at preventing the Palestinians from regaining the power they had before the Israeli invasion of 1982.

In Kuwait, George Habash, a Palestinian leader, said Monday that Syria was behind the Shiite attacks on the refugee camps. Mr. Habash heads the Popular Front for the Liberation of Palestine.

Craxi Wins Referendum on Wage Indexing

(Continued from Page 1)

control wage increases and thus inflation.

The government's victory, however, was unlikely to guarantee labor peace. Just as the polls closed and before the results were known, the major national association of industrialists, Confindustria announced that it was pulling out of the wage indexing agreement when it expires in January.

The move was immediately denounced not only by Communist trade union leaders, but also by union heads who had supported the government in Monday's voting and by officials of the centrist governing coalition.

A spokesman for the long-dominant Christian Democratic Party, for example, called the employers' decision "negative." Mario Colombo, a leader of the Catholic trade union which opposed the referendum, said the Confindustria decision was "an act of social terrorism."

The 46 percent vote in favor of the Communists' proposal, while insufficient, was far higher than the 30 percent the Communists drew in local voting last month and appeared to reflect a sizable protest against the government.

The neo-fascist party, the Italian Social Movement, also campaigned in favor of the referendum, but the yes vote was substantially larger than even the Communist and neo-fascist vote in the May election combined.

Von Bulow Is Acquitted In 2d Trial

(Continued from Page 1)

was a "medical case and there was no wrong done."

The eight-woman, four-man jury deliberated about 14 hours over four days before reaching its verdict. It had heard six weeks of testimony from 42 witnesses.

"This is a jury who clearly hasn't had any trouble coming to a decision," Superior Court Judge Corinne P. Grande said.

Mr. von Bulow, 58, was charged with injecting Martha von Bulow, known as Sunny, with insulin and inducing the comas she suffered during Christmas vacations in 1979 and 1980 at the family's Newport mansion.

Mrs. von Bulow recovered from the first coma, but doctors say the second is irreversible.

In 1982, a jury deliberated 37 hours over six days before finding Mr. von Bulow guilty, but that verdict was overturned last year by the Rhode Island Supreme Court on state constitutional grounds.

Mr. von Bulow's chief defense attorney, Thomas P. Puccio, relied on nine medical experts in arguing that insulin injections did not cause the comas.

Mr. Puccio maintained the comas were induced by Mrs. von Bulow's abuse of drugs and alcohol.

Assistant Attorney General Henry Gemma said he was "very disappointed."

"This has been a complete and total commitment for the past six months. We gave it our all, but after four days of deliberations, the jury said there was reasonable doubt," he said.

The prosecution was able to persuade Mr. von Bulow's former lover, Alexandra Isles, to return from Europe and repeat her 1982 testimony that she had given him a deadline for divorcing his wife shortly before the first coma.

She also testified he told her of watching his wife suffer for hours during that coma before deciding he could not go through with letting her die.

But the state was not allowed to allege again, as it had in 1982, that Mr. von Bulow wanted to inherit his $14 million share of his wife's $75 million fortune for holdings in Pittsburgh utilities.

WORLD BRIEFS

Mitterrand Warns on Farm Trade

PARIS (Reuters) — France will oppose in future international talks any pressure for free trade in farm products, President François Mitterrand said Monday.

"In the extremely fragile sector of food production I do not believe that totally free trade is the only way to stimulate economies and best satisfy the needs of everybody," he said in an address opening the annual ministerial meeting of the United Nations World Food Council.

Farmers in developing countries cannot compete against mechanized producers, Mr. Mitterrand stressed. His comments, accompanied by a plea for action to help African farmers, indicated that France has not softened its resistance to demands by the United States for freer agricultural trade.

Blackmail Alleged in British Spy Case

LONDON (AP) — Seven British servicemen stationed in Cyprus systematically fed top-secret military information to a foreign power under blackmail threats that their homosexual activities would be exposed, prosecutors said Monday.

"They as servicemen acted as spies and as spies they betrayed to the agents of a foreign power some of this country's most precious military secrets," said Michael Wright, a prosecutor, in London's Old Bailey Central Criminal Court. The servicemen have pleaded not guilty to 28 charges under Britain's Official Secrets Act. They are charged with spying between Feb. 1, 1982, and Feb. 6, 1984, while stationed at Britain's Episkopi military complex in southwestern Cyprus.

Beijing, Bonn Reach Nuclear Accord

BONN (Reuters) — China moved a step closer Monday to buying up to four nuclear reactors from West Germany when it signed a memorandum on long-term nuclear energy cooperation with a leading reactor supplier, Kraftwerk Union AG.

The document was signed at a ceremony attended by Chancellor Helmut Kohl and Prime Minister Zhao Ziyang of China, who is here on a nine-day visit, after the two held talks lasting just under three hours. China and West Germany also signed three agreements aimed at strengthening their already flourishing economic ties.

The sale of four 1,000-megawatt pressurized water reactors which Kraftwerk hopes to clinch in the face of strong competition would involve a wide-ranging transfer of German technology enabling China to build eventually its own nuclear plants.

Nicaragua Rebels Admit Loss of Bases

MANAGUA (UPI) — U.S.-backed Nicaraguan rebels, saying they "badly need arms and ammunition," acknowledged that Nicaragua's army captured two of their major bases in an offensive that damaged their campaign to topple the government.

A radio broadcast Sunday by the Democratic Revolutionary Alliance was the first report about clashes with Nicaraguan troops in a jungle area 150 miles (about 240 kilometers) southeast of Managua. The army began an offensive last year against alliance bases, driving large numbers of guerrillas into Costa Rica.

"The Sandinist Army has taken our bases in El Castillo and La Penca," the alliance said over the radio. The camps are less than 40 miles apart, near the border with Costa Rica. "We continue to resist, but we badly need arms and ammunition," the alliance said. "It has become difficult to supply our men in the continuing fight."

For the Record

The European Court has told Italy to abolish automobile registration rules aimed at preventing Italians from importing cars from France, West Germany, Belgium and the Netherlands at prices below domestic levels, court officials said Monday. *(Reuters)*

Two leaders of a gang that carried out Britain's biggest cash robbery were sentenced Monday to 22 years in prison each. The judge said he regretted he could not recover the £6.3 million (then $10.3 million) they stole in 1983 from Security Express headquarters in London. *(AP)*

Prime Minister Laurent Fabius of France arrived in East Berlin on Monday for a two-day visit and conferred with Erich Honecker, the East German leader. It marks the first official visit to East Germany by the head of government of one the city's three Western occupation powers. *(UPI)*

Dr. Mengele on the Run: A Protector Gives Details

(Continued from Page 1)

revelations about the couple's alleged connection with Dr. Mengele.

Mr. Bossert said that when he wrote to Germany advising Dr. Mengele's family of his death and burial on Feb. 8, 1979, "I said probably they'd agree to maintain the secret. They replied in a letter that naturally the case was much too dangerous to be revealed and that much water would have to flow under the bridge before this could be exposed. So I kept the secret."

"The contact was Hans Sedlmeier," Mr. Bossert said. Mr. Sedlmeier is a former employee of the Mengele family company in Günzburg, West Germany, and the man who the Bosserts claim was Dr. Mengele reportedly had received sporadic payments of dollars from him.

"Sedlmeier brought money once, but it was never a regular thing," he said.

Part of this money had been invested in a small farm at Caieiras, where Dr. Mengele had lived with his first protectors in Brazil, Geza and Gitta Stammer, the Hungarian couple. Mrs. Stammer's testimony to police Friday corroborated some details provided earlier by the Bosserts.

The Bosserts said that Dr. Mengele was responsible for restoring farm buildings, and when the farm was sold the Stammers made regular payments to Dr. Mengele for his half share. They said that he didn't spend anything, that he just worked for his food.

The Bosserts were brought by police to the farm near Juquitiba, 50 miles (80 kilometers) outside São Paulo, where Wolfgang Gerhard, the man whose identity the Bosserts say Dr. Mengele assumed, and his family had lived for eight years before returning to Austria, where he died.

The 20-acre (8-hactare) farm set in a remote wooded valley reached by an overgrown track, was visited twice yearly by Dr. Mengele, according to Mr. Bossert.

"He was interested in books in which he appeared and about the place where he'd worked," Mr. Bossert said. He said Dr. Mengele also received medical and biology textbooks from Germany.

Mr. Bossert said the real Gerhard, who had passed on his identity documents to Dr. Mengele and then died at Graz in Austria in 1978 under what he called "funny circumstances," was a Nazi and "a bit fanatic." He was a member of the Hitler Youth, he added.

"He spoke of the Hitler Youth — but everyone participated in that. Even I was a junior leader," Mr. Bossert said. He said Gerhard, who had first introduced him to Dr. Mengele, had been "very astute in testing us out to see if we were the kind of people who might denounce someone. He soon realized that threats wouldn't work; I'm different" than Mr. Stammer, who he said had been threatened to keep silent.

In Tel Aviv, an Israeli government spokesman said that while the Brazilian tests are being conducted, Israel "would continue its efforts to catch Mengele and bring him to justice in Israel."

Menachem Russek, head of an Israeli police detail charged with investigating Nazi war crimes, told Israeli radio that he believes that Dr. Mengele is behind the reports of his death in a desperate attempt to stop the worldwide manhunt for him.

The coroner who examined Gerhard after the drowning said he saw no reason to question the victim's age on his identity card — 54 — which would have made him 14 years younger than Dr. Mengele would have been in 1979.

The head of the São Paulo morgue, Rubems Maluf, and the coroner, José Antonio de Melo, said they plan to begin the forensic investigation by cleaning the bones and rebuilding the skeleton. But the only positive identification can come from 1938 dental records provided by West Germany. The remains exhumed Thursday contained seven natural teeth, two dentures and a gold crown or cap.

"If any of these teeth were treated in Germany, then the records could be of great value," Mr. de Melo said.

Brazilian authorities have agreed to allow U.S. and West German experts to work with them to determine if the remains are those of Dr. Mengele.

■ **Family to Break Silence**

Rolf Mengele, Dr. Mengele's son, plans to break his family's silence with a statement in the next 24 hours, his secretary said Monday, according to a Reuters report. Mr. Mengele has a law practice in Freiburg, West Germany.

California Plans To Catch Condors

Los Angeles Times Service

LOS ANGELES — The California Fish and Game Commission has voted, 5-0, to recommend that all remaining wild California condors be captured and placed in protective custody in zoos. There may be as few as nine of the birds left in the wild.

The commission's action, taken Thursday in Sacramento, conflicts with a proposal by the U.S. Fish and Wildlife Service to capture three adult condors for mating purposes and release three young captive birds into the wild.

Both state and federal officials said that an attempt would be made this summer to reach a compromise on the plans. The condor population has been declining rapidly as its habitat is taken over by residential, commercial and industrial uses.

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

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Help for Salvadoran Rebels Has Waned

By Robert J. McCartney
Washington Post Service

SAN SALVADOR — Nicaragua, Cuba and other leftist countries have played the leading roles in arming and training El Salvador's leftist guerrillas since 1980 but gradually have curbed their support since 1983, according to information from a recent defector from the rebels, a U.S. study of captured weapons and captured rebel documents.

U.S. pressure has led Nicaragua's Sandinist government to withdraw some of its backing for the Salvadoran rebels on several occasions, both by suspending ammunition shipments and by restricting the activities in Managua of the rebel's Farabundo Marti National Liberation Front, according to these sources.

It was unclear from the documents and other information how much aid Nicaragua has been contributing in recent months, but ammunition shipments appear to have dropped substantially. The defector, a former political and military commander, said he was aware of only two deliveries this year.

The Reagan administration repeatedly has asserted that Nicaragua was "exporting revolution," and it used this charge to justify the organization and financing of the rebel force fighting to overthrow the Sandinist government.

Salvadoran rebel leaders and Nicaraguan officials have offered cautious and sometimes conflicting responses to the U.S. charges. The Salvadoran rebels have admitted, for example, that they smuggle weapons and ammunition through Nicaragua but have said they obtained the arms on the international market. Nicaragua has acknowledged giving diplomatic and moral support to the guerrillas while denying that it was shipping ammunition.

The newly available sources offer a broad portrayal of the history of external support for the Salvadoran rebel front.

The government and the U.S. Embassy said the documents were seized April 18 along with a prominent rebel commander, Nidia Diaz, who was a member of the guerrilla delegation at the peace talks in the town of La Palma in October.

The Associated Press

A U.S. military adviser, left, instructs a Costa Rican Civil Guard in using a machine gun.

The rebel front has charged that the documents are forgeries.

According to the new sources, leftist nations initially contributed 6,000 to 7,000 automatic rifles in addition to mortars and grenade launchers from 1980 to early 1983. These arms are described as having arrived clandestinely from Nicaragua, mostly in small planes or overland through Honduras.

Cuba, the Soviet Union, Vietnam, Bulgaria and East Germany have trained guerrilla leaders in military and political work, by this collective account. The general command of the rebels met regularly in Managua in the early 1980s.

Since about two years ago, however, foreign military assistance has consisted primarily of ammunition and explosives, and it increasingly has arrived by sea.

Shipments appear to have dropped off for three reasons: because more arms were not needed, because of U.S. pressure on Nicaragua and because of the Honduran armed forces' breakup of much of the rebel front's clandestine support network in Honduras during 1982 and 1983.

The Sandinists also began to pull back their welcome in Nicaragua in mid-1983, according to the defector, Napoleón Romero, who is known by his nom de guerre, Miguel Castellanos. At that time, the rebel front general command was forced to transfer its meetings to rebel-dominated territory in El Salvador after Nicaragua was embarrassed by the murder of a senior Salvadoran rebel commander in Managua in a factional dispute, Mr. Romero said.

He said that about 70 percent of the the front's automatic rifles came from abroad and that the rest were captured from the Salvadoran armed forces. While some of the foreign-supplied weapons were purchased on the international market, he said, most were supplied by friendly governments.

Mr. Romero, 35, was held by the military for several weeks after defecting before being made available to reporters. He is now said to be living under the protection of the military.

The guerrilla organization has charged that Mr. Romero was tortured while in custody and is lying.

Mr. Romero's description of the source of the weapons was bolstered by a U.S. military intelligence survey of serial numbers of U.S.-made M-16 automatic rifles captured from the guerrillas. The survey's results, made available by U.S. officials, showed that just under 25 percent of the rifles originally were provided to the Salvadoran Army and thus presumably had been captured by the rebels. Of the remaining rifles, the bulk were said to have been left in Vietnam by evacuating U.S. troops in 1975.

Independence Movement Grows in Guadeloupe

By Edward J. Cody
Washington Post Service

POINTE-A-PITRE, Guadeloupe — Impressed by a violent revolt half a world away, the people of this Caribbean island have begun to confront a previously unthinkable idea: independence from France.

Leaders of a vocal and sometimes violent independence movement, watching events in the French-administered South Pacific island of New Caledonia, have pledged to organize strikes and demonstrations to force Paris to heed their demand, too.

Noting that New Caledonian rebels extracted concessions from France in response to highly publicized violence, independence leaders here also have started to speak openly of making sure that Guadeloupians have arms so that they will not be "victims of colonial repression."

However, even independence activists acknowledge that a majority of the island's 320,000 inhabitants probably wants to remain French.

As an indication, officials point out that independence groups never have attracted a following in local elections and that the island always has been more prosperous than its neighbors, chiefly because the central government in France pays the bills.

But the New Caledonian revolt, in which a form of independence has come under discussion, has emboldened moderate independence activists in Guadeloupe and broadened their audience among the island's 80-percent black majority. Spray-painted slogans in Creole — "French Assassins" and "Frenchmen Out" — have multiplied on the walls of Pointe-à-Pitre.

The main independence organization, Popular Union for the Liberation of Guadeloupe, in April brought in militants from New Caledonia, Martinique, French Guiana, and the Indian Ocean island of Réunion for what was billed as a conference of "the last French colonies."

On March 13, a satchel bomb exploded in a local restaurant, killing three persons. Earlier bombings hit a pair of police stations, another restaurant and a truck.

No one claimed responsibility for the blasts, and police have not made any arrests. But determined anti-independence French citizens and separatists alike unofficially added the bombings to a growing list of incidents by underground independence agitators over the last several years.

According to rightist political activists and some French officials, pro-independence extremists also have received encouragement and support from Cuba, raising the specter of what these sources depict as a further destabilizing force in the region should French rule end.

"If the independence activists are developing — and we have to admit they are developing, even if they still are not numerous — it is because they are being supported from outside by people with interests in helping them," charged Edouard Boulogne of the anti-independence Association Guadeloupe 2000.

The main above-ground independence leader, Claude Makouk, denied any contact with Cuba and said his group has not even received support from the Guadeloupian Communist Party.

President Fidel Castro of Cuba, addressing Caribbean writers last March in Havana, warned that Guadeloupians remain divided on independence and thus activists "should not be in a hurry."

While President François Mitterrand's government has undertaken to loosen French rule over the Pacific territory of New Caledonia, the situation is more complicated for Guadeloupe and France's other major possessions in the Caribbean. Like the neighboring island of Martinique and French Guiana on the northeastern rim of South America, this island is a French department, an integral part of France.

"We have been French since 1635, since Louis XIII," declared Jean-Marc Hémery, who works on Mr. Boulogne's anti-independence magazine, Guadeloupe 2000. "We are more French than many French people on the mainland."

U.S. Law Schools Worry As Applications Decline

By Al Karnen
Washington Post Service

WASHINGTON — Declines in first-year enrollment and applications to U.S. law schools over the last three years have set administrators scrambling to avert faculty layoffs and school closings.

The graduate law program, which tripled in size in the last 25 years while taking its pick from among the brightest applicants, does not face a promising future, law school officials said recently.

"We might well see some law schools closing in the next 10 years," said Professor James P. White of the Indiana University School of Law. One school in California has laid off some faculty members, he said, and other schools, especially newer and smaller ones, are likely to do so.

"A number of law school deans are worried about maintaining the quality of their students, about shrinking in size, even about closing," said Professor White, the American Bar Association's consultant on legal education.

A 20 percent drop in applications over three years is affecting 85 percent of the nation's 174 ABA-approved law schools, while analysts say it cannot be explained as simply a decline in the college-age population now that the baby-boom generation is graduating.

Some experts, such as R. Paul Richard, deputy executive director of the Law School Admission Council, say that a shift in undergraduate majors away from pre-law fields may be the result of an improved economy, a perceived glut of lawyers and, perhaps, a general feeling that legal training is no longer a ticket to a better life and social mobility. Tuition approaching $12,000 a year may play a part.

The drop in applicants, however, does not necessarily mean fewer lawyers. It may mean, some specialists fear, more unqualified lawyers in the long run.

Total enrollment in the 174 ABA-approved law schools was 125,698 last fall, down 3.3 percent over three years after rising steadily for decades.

Total applicants for about 41,000 openings fell from 72,946 in 1982, to 64,078 in 1984 and to a preliminary estimate of about 58,400 for next fall, according to the Law School Admission Council.

"Somebody is clearly taking someone they wouldn't have taken before," said John C. Roberts, dean of Wayne State University Law school in Detroit.

"Survival is a pretty powerful force," Dean Roberts said, adding that schools "may not admit it," but "there are some schools already at or near open admissions."

Andy Cornblatt, assistant dean of admissions at Georgetown University Law Center, agreed.

"Schools will be very reluctant to contract," he said. "That will mean a glut of people who have no business being in law school" and will lead to some schools graduating lawyers far less qualified than a decade ago.

Wayne State chose not to lower its standards when applicants declined. Instead, he said, it reduced first-year enrollment from 300 to 250 last year and to 200 this year.

"Our student quality is the same," he said. "But you have to have tremendous support from administration to have a loss of revenue of one-third."

The school had planned to hire five new faculty members. Now it will not be hiring new staff for the next several years.

Smaller law schools will be even more hard pressed.

Bombing at Spanish Marina

Reuters

ALICANTE, Spain — A bomb exploded Monday at a marina near here. It was preceded by a warning from a caller claiming to speak for the Basque separatist guerrilla group ETA (Basque Homeland and Liberty.) The bombing caused little damage and no injuries.

Health Insurer Finds Old Age Gets Older, to 75

United Press International

NEW YORK — Gains in longevity give 65-year-olds a "10-year grace period" and old age now starts at 75, according to the president of Blue Cross and Blue Shield Association, which provides health insurance for about 90 million Americans.

Bernard R. Tresnowski said in a report on aging, "To be sure, the Congress has moved the mandatory retirement age up to 70. But the problem of bringing our laws and our practices in line with the reality — old age at 75, not 65 — are formidable, if not prohibitive."

"In 1935, when the Social Security Act was enacted by Congress, the average span of life in the United States was 64, Mr. Tresnowski said. "And it was accurate and sensible to consider that men and women of 65 and over were indeed 'the elderly.'

"They aren't anymore. The life span has risen by a decade — 74.9 years is the figure I have seen most recently."

Chinese Army to Be Cut By One Million Men

The Associated Press

BEIJING — The Chinese Army will be reduced by one million over the next two years, the Central Military Commission announced Monday. Leaders announced earlier this year that the world's largest standing army, believed to number about four million, would trim its size, but the announcement quoted by the Xinhua news agency was the first in which a time frame had been given.

Deng Xiaoping, China's paramount leader and chairman of the military commission, said last month that China planned to cut one million men from the army to save money for economic construction.

Rally Hears Reagan View On Abortion

Los Angeles Times Service

LOS ANGELES — Encouraged by a telephone pep talk from President Ronald Reagan, several thousand people participated in a rally to start an eight-month, 3,400-mile march on Washington by two ministers. Sponsors hope the march will prompt U.S. legislation to restrict abortion.

The president called abortion "the most important issue facing this country today," and said that the rally had his support.

His speech was broadcast from loudspeakers to the crowd, which police estimated at about 4,000.

Rally sponsors predicted that they would gather hundreds of thousands of signatures as two Wisconsin ministers trek through 11 major cities in coming months, displaying at each stop preserved fetuses in tiny wooden coffins.

The ministers, Norman Stone and Jerry Horn, posed for photos Sunday on each side of the open coffin of a fetus they call "baby choice."

Most U.S. anti-abortion groups have endorsed the march, said Melody Green, director of Texas-based Americans Against Abortion, sponsor of the march. They hope that a grass-roots show of opposition to abortion will force Congress to consider a constitutional amendment against it, she said.

After stops in Las Vegas, Denver and Chicago, the march is expected to end on Feb. 12 at Slaughter Beach, Delaware. Anti-abortion petitions will be presented to Congress, the Supreme Court and Mr. Reagan, Mrs. Green said.

Taiwan Suspends Newspaper

The Associated Press

TAIPEI — The government has ordered a newspaper to suspend publication for one week beginning Monday for giving prominent play to a story on Prime Minister Zhao Ziyang of China.

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The Associated Press

Indians in New Delhi Protest the Practice of Bonded Labor

Impoverished Indians held a demonstration Monday at the Taj Mahal Hotel in New Delhi to protest the outlawed practice of bonded labor, under which workers pay off debts they or their ancestors have incurred. The protesters used dancing monkeys to contrast their cause with the Indian cultural festival held recently in Paris that featured dancing bears. Another festival is to be held in Washington, which Prime Minister Rajiv Gandhi is to open this week. The demonstration was organized by youths from the opposition Janata Party.

Ethiopians, Heading Home, Face Famine

By Blaine Harden
Washington Post Service

NAIROBI — Africa's largest tide of refugees has begun flooding back from Sudan into the Ethiopian highlands, where relief officials say there is little food, a rekindled civil war and a likelihood that many who return will die.

For eight months, refugees in search of food streamed from Ethiopia into Sudan at a rate of up to 4,000 daily. Now, lured by rain in Tigre province, more than 50,000 have abandoned refugee camps along the Sudanese border in the past month to begin the three- to four-week walk back to their farms, according to a spokesman for the Office of the United Nations High Commissioner for Refugees.

"This is a spontaneous thing against the advice of relief workers, who are telling these people they are not fit to make this journey, that their children will die along the way, that there is no food when they return," said Hugh Hudson of the UN refugee office in Nairobi.

"These people always told us they did not come to Sudan to stay, only because they were desperate," Mr. Hudson said. With the arrival of rain, he said, "Their instinct is to go back for plowing."

The refugees are returning to a no-man's-land struck by famine where rebels of the Tigre People's Liberation Front and soldiers of the Ethiopian Army have been fighting for more than a decade.

The Ethiopian military, with weapons and aircraft provided by the Soviet Union, holds the region's cities and a few major roads, but the Tigrean guerrillas move freely through most of the countryside.

A senior relief official in Addis Ababa said that the government had begun an offensive in Tigre. He added that "security considerations" there had limited the flow of relief aid into the region for months.

Rebels, in a statement from London, said the food situation in Tigre is becoming increasingly desperate. The statement, which blamed the United Nations for failure to move food north from Addis Ababa, said at least 68 peasants have died from eating dirt.

But refugees returning to Tigre are willing to endure the renewed fighting and the possibility of starvation because they no longer can tolerate living in Sudan, according to Mr. Hudson.

"People think Africa is Africa, that all places are the same," he said. "That just isn't true. These Tigreans are mostly Christians from highland, temperate country. It is just as difficult for an Ethiopian in Sudan as it is for a European. These refugee camps are a living hell for the Tigreans."

Daytime temperatures in the treeless desert along the Sudanese border, where six camps sprang up in the past half year to house 235,000 Ethiopian refugees, routinely go above 110 degrees Fahrenheit (43 degrees Celsius). In recent weeks there have been dust storms, one of which flattened half of the tents in a camp of 20,000 refugees and destroyed six food warehouses.

Like all feeding centers crowded with sick and malnourished people, the refugee camps are rife with disease. Relief officials say there is an outbreak of cholera in Wad Kowli, a camp of about 30,000. Vitamin A deficiencies have caused an epidemic of xerophthalmia, an eye disease that dries up the eyeball and causes blindness.

Vitamin C deficiencies have caused scurvy among refugees and are responsible for large numbers of slow-healing sores and abcesses.

Christian Tigreans also have found themselves less welcome in the camps, situated in the Moslem part of Sudan, than their compatriots from Eritrea, most of whom are Moslem and have chosen to remain.

When Tigreans say they are going back, Mr. Hudson said, refugee workers give them as much food as they can carry, extra rations of vitamins and a physical checkup to see if they have "a minimal survival fitness."

"Even when they are advised not to go, we are not able and not willing to physically prevent them," he said. "Fathers take their children out of supplemental feeding programs. These people don't want to split up their families. They insist on staying together even if they have children die on their hands."

Tibet Is a Dim Memory For Some Exiles in India

Students Learn Hindi, Enjoy Films But Keep Ancient Buddhist Values

By William Claiborne
Washington Post Service

LEH, India — Jamyang Dorgee was a young boy when he hiked through snow-covered Himalayan mountain passes with his older brother in 1972, arriving in the harsh hills of Ladakh exhausted, dazed and overwhelmed by loneliness.

His parents had been arrested by the People's Liberation Army of China, ostensibly for failure to pay taxes. They have not been heard from since. Mr. Dorgee said he is "pretty sure" that both are dead.

Now a student at the Tibetan Children's Village near here, Mr. Dorgee dreams of going to college in India, of becoming a physicist and of returning to Tibet. But he admits that his memory of home is becoming dim.

"I'd like to go back if I get a chance. Yes, I think I would if that is possible," he said, somewhat unconvincingly.

For Mr. Dorgee and more than 100,000 Tibetan refugees who have fled to India, the passage of time is distancing them from their homeland, which on a clear day is visible from many of Ladakh's mountain peaks.

It has been 26 years since thousands of Tibetan refugees followed their leader and god-king, the 14th Dalai Lama, on his final flight to exile in India in 1959 after the Chinese crushed a Tibetan uprising.

Now more than ever before, the refugees face the dilemma of not knowing whether to assimilate into the society that has welcomed and sustained them, or to cling to their traditional culture in the hope that someday they will return to a Tibet that has undergone a vast transformation under Chinese rule.

For the most part, Tibetan refugees have tried to do both. In their schools here and in refugee settlements in southern India, the Tibetans learn Hindi or the prevailing regional language as well as English, and they have become avid fans of popular Hindi films.

Their food habits have changed, with a growing preference for the Indian staples of lentils and rice; in Tibet rice is cooked only for ceremonial purposes. The traditional Tibetan pigtail virtually has vanished among refugee men, and their clothing styles have gradually adapted to Indian norms, particularly in the hotter climates of southern India.

But according to Namgyal Dorje Teykhang, the Dalai Lama's chief representative in Ladakh, Tibetan refugees have abandoned neither their ancient Buddhist cultural values nor their collective dream of the liberation of Tibet.

"Since 1959, we have hoped for independence for Tibet. If we get it, everyone will want to go back. If we don't, nobody will want to live under Communist rule," Mr. Teykhang said.

Refugee leaders acknowledged that to a large extent the refugees' cohesive will can be attributed to the organizational mastery of the Tibetan government-in-exile, situated in Dharmsala in the hills of Himachal Pradesh about 120 miles (193 kilometers) southwest of here.

The Dalai Lama, as spiritual and temporal leader of all Tibetans, heads a sprawling government bureaucracy there. With considerable assistance from the Indian government, it manages the welfare of the approximately 110,000 refugees scattered in more than 40 agricultural and agro-industrial settlements throughout India. About 8,000 refugees have not yet been resettled.

Although the Dalai Lama's spokesmen sidestep the subject to avoid jeopardizing the Indian government's relations with China, refugees still are trickling across the Chinese border to seek sanctuary in India.

The exile government in Dharmsala, Mr. Teykhang said, recruits virtually all college graduates from among the refugees to oversee an extensive welfare system. The system, with some exceptions, provides Tibetan refugees with material comforts superior to those in most refugee camps elsewhere in the world.

The 510 boarding students in the Children's Village near Leh, for example, live in attractive, solar-heated bungalows, and another 1,200 day students will soon move into a sprawling new school.

Although they are poor even by Indian standards, the industrious Tibetans have built a thriving handicrafts industry that markets goods throughout India and for export. Even in the alien climates of Karnataka and Orissa in southern India, Tibetan farmers have managed well with land provided by the Indian government.

Tashi Wangdi, the Dalai Lama's chief representative in New Delhi, said he doubted the refugees' relative comfort would lead to further assimilation and a diluting of their will to return to their homeland.

"I don't think so. Maybe after a few generations, but not in the foreseeable future," he said. "I have relatives still in Tibet. I cannot forget my brother."

25 Independents Win in Hungary

The Associated Press

BUDAPEST — Independent candidates have scored their biggest gain since the country came under Communist control at the end of World War II, winning 25 seats among the 387 in the Communist-dominated parliament.

Results released Sunday showed the losers to unofficial candidates included Jenoe Fock, a former prime minister, and Bela Biszku, a former interior minister. Independents had been permitted to run since the 1970s but only one had previously been elected to parliament.

The Saturday elections were the first since a 1983 law established that at least two persons had to run for 352 of the seats. Thirty-five seats are reserved for top government or Communist Party officials. The Patriotic People's Front, the Communist organization that dominates Hungarian politics, nominated two of its own candidates for most seats but voters nominated others in 71 districts.

5 European Sports Ministers To Meet on Soccer Violence

Compiled by Our Staff From Dispatches

AMSTERDAM — Ministers of sport from five West European countries will meet here Tuesday to try to agree on measures to combat soccer hooliganism, Dutch officials said Monday.

Their agenda was expected to include ways to prevent consumption of alcohol inside stadiums, ensure stricter allocation of tickets at major events and impose heavier fines for troublemakers.

The meeting, an initiative of Joop van der Reijden, the Dutch sports minister, was convened after a riot blamed on rampaging English soccer fans killed 38 persons and injured more than 450 in Brussels on May 29 at the European Cup final between Liverpool and Juventus of Turin.

A spokesman for the Dutch Ministry of Welfare, Health and Culture said that measures recommended here by the sports ministers of Britain, France, West Germany, Belgium and the Netherlands would be submitted to the 21-nation Council of Europe in Strasbourg, France.

In Brussels on Sunday, a Belgian newspaper quoted an official report as saying that police admit they made a series of mistakes in handling the soccer riot.

La Libre Belgique quoted the commander of the police force, Lieutenant General Robert Bernaert, as saying in his report to the government and Parliament that too few police were inside Heysel Stadium, that officers did not realize fast enough what was happening, did not react in time and did not call for reinforcements.

Some radio appeals from policemen in the stadium also were not heard by their commanders because of the deafening noise at the arena, it quoted General Bernaert as saying.

The tragedy occurred when supporters of England's Liverpool club charged fans of Italy's Juventus team before the game. Many of the victims were crushed when a wall collapsed or were trampled to death in the ensuing panic. Juventus won the match 1-0.

The police detachment on duty was adequate to handle most incidents, General Bernaert reported, but "most were outside the stadium and those inside were too few when riots broke out."

The platoon leader at the stadium called for reinforcements but his squadron commander did not hear him because of the noise, the newspaper reported. The squadron commander later failed to call for reinforcements.

The section where people were trampled was to have been occupied by neutral fans, but Italian and British supporters were allowed there instead. *(Reuters, AP)*

Rauf Denktash

NYT

Denktash Wins North Cypriot Vote

Reuters

NICOSIA — Rauf Denktash, the Turkish Cypriot leader, has won a landslide victory in presidential elections in the breakaway state that was proclaimed in northern Cyprus two years ago.

The counting of ballots was completed late Sunday night. Mr. Denktash received 70.5 percent of the vote, Alpay Durduran 9.2 percent and Ozker Ozgur 8.4 percent. Three minor candidates shared the remaining 1.9 percent.

Mr. Denktash told a jubilant crowd in the center of northern Nicosia: "The world will have to respect the republic founded with your good will and I promise you there will be no agreement in Cyprus without the guarantee of Turkey for your security."

He said in an interview that he was still willing to establish a federation with Greek Cypriots on the island, "but only on a basis of equality."

Turkey invaded and occupied the northern third of Cyprus in 1974 after an abortive Athens-backed coup. Only Turkey recognizes the Turkish Republic of Northern Cyprus. The international community acknowledges only the Greek Cypriot-run government of President Spyros Kyprianou.

■ **EC Refuses Recognition**

The 10-member nations of the European Community said Monday that they will not recognize Mr. Denktash's election, United Press International reported from Rome.

In a statement issued by Italy, the current president of the community, the EC members said they "do not recognize the 'Turkish Republic of Northern Cyprus' and, as a consequence, will not recognize any so-called 'constitutional' development on the part of northern Cyprus."

Marshal Ogarkov Reappears In Soviet With Military Book

By Dusko Doder
Washington Post Service

MOSCOW — Marshal Nikolai V. Ogarkov, who was removed last September as the Soviet chief of staff, returned to public life Sunday with a new book on strategic issues.

The book, published by the Ministry of Defense, stirred speculation that the 67-year-old marshal had been rehabilitated. Marshal Ogarkov is noted for intelligence, poise, extensive knowledge of strategic doctrine and a basic hard line.

According to a review, the book, "History Teaches Vigilance," says the United States and its military policy and doctrine pose the main threat to peace. Marshal Ogarkov calls on the Soviet Union to increase its "economic and defense potential" to counter U.S. "aggressive designs."

The review, prepared by the feature press agency Novosti, indicates that Marshal Ogarkov's book echoes the propositions of a book he published in 1982, which called for greater preparedness not only by the armed forces and military industries but also by all the sectors of the nation's economy.

The publication of the book left unclear whether this reflected a revival of a hard line in the armed forces or possibly a broader policy shift within the new Kremlin leadership headed by Mikhail S. Gorbachev.

The new leaders are accusing the Reagan administration, even though it has resumed arms talks with the Soviet Union in Geneva, of planning to destroy the arms control process.

An editorial in the Sunday issue of Pravda, the Communist Party newspaper, accused Washington of preparing to wreck SALT-2, the Strategic Arms Limitation Treaty which was signed in 1979 but has not been ratified.

"The only point at issue is what methods of scrapping the treaty would be less painful to the United States from the point of view of world public reaction," Pravda asserted. "Whether the commitments assumed by the United States under the treaty should be abrogated openly and in full or whether this should be done creepingly, step by step."

Marshal Ogarkov was chief of staff and first deputy defense minister for seven years before he was removed abruptly by the leadership of Konstantin U. Chernenko.

There is still no reliable information here about the reason for the dismissal. But some analysts believe that Marshal Ogarkov had opposed a decision by the Politburo to relax its position on resuming arms talks with the United States.

The removal of the marshal came shortly before Foreign Minister Andrei A. Gromyko met in the White House with President Ronald Reagan. Subsequently, after Mr. Reagan won re-election, Moscow agreed with Washington to resume the Geneva talks, which had broken down after the United States began to deploy cruise missiles and Pershing-2s in Western Europe.

Marshal Ogarkov was particularly outspoken in denouncing the new U.S. missiles.

Mr. Chernenko modified the position of his predecessor, Yuri V. Andropov, and the result was a resumption of the Geneva talks in January.

The official announcement last September said that Marshal Ogarkov, who had long been considered a potential successor as defense minister, had been relieved "in connection with transfer to other duties." The other duties were not disclosed.

A short time later, a Politburo member, Grigori V. Romanov, said during a visit to Finland that Marshal Ogarkov had been put in charge of a large western military theater.

There was another report that Marshal Ogarkov had been named commandant of a military academy. In following months, his name disappeared from the press and was even omitted from the list of signers of military obituaries.

One of the few mentions of the marshal's name in the press came last December near the bottom of a list of official mourners after the death of Marshal Dmitri F. Ustinov, the defense minister.

In its 1,800-word review of Marshal Ogarkov's latest book, Novosti praised it warmly. According to the reviewer, Colonel Vladimir Morozov, the book reveals "the aggressive character of the United States military policy and doctrine" and its quest for military superiority.

Marshal Nikolai V. Ogarkov

Terrorism In EC Stalls Border Pact

Reuters

LUXEMBOURG — Increased terrorism and drug smuggling have blocked the easing of border controls within the European Community, diplomats said Monday.

Ministers who oversee the 10-nation trading bloc's internal market are meeting here to discuss phasing out border controls throughout the European Community, but diplomats said immediate agreement was unlikely because of growing demands for tough security measures.

The bloc's political leaders agreed a year ago to examine ways of allowing people to travel freely across internal borders without police checks and the issuance of a community-wide passport. Such policies, they said, would make the concept of a united Western Europe more relevant to its citizens.

Diplomats attending the meeting here said they would discuss whether controls should be simplified at land borders only or be extended to the air and seaports.

Britain and Ireland favored restrictions at land borders only, but most other states said they were willing in principle to liberalize all three, diplomats said.

The diplomats said recent urban guerrilla attacks, particularly in Belgium, West Germany and France, had led to growing demands for controls to be reinforced at all borders in certain cases.

Ministers from West Germany, France, Belgium, the Netherlands and Luxembourg are scheduled to sign an agreement this month aimed at abolishing border checks between their five countries.

France and West Germany abolished routine passport and customs controls at 32 crossing points along their border for EC citizens in July.

Solidarity Leaders Didn't Call Strike, Walesa Testifies at Their Gdansk Trial

The Associated Press

GDANSK, Poland — Lech Walesa, wearing a T-shirt bearing the name of the outlawed Solidarity trade union, defended the innocence of three associates Monday in an appearance before a Gdansk provincial court.

The former Solidarity chairman said the court asked him what he knew about a meeting he convened in February that was attended by the defendants, Adam Michnik, Bogdan Lis, and Wladyslaw Frasyniuk. The prosecution claims they discussed plans for a 15-minute strike to protest increases in food prices. The defendants have pleaded not guilty.

"I told them I know that three innocent people are sitting in the defendants' bench," Mr. Walesa said after leaving the courthouse. "There is no civilized country in the world in which one is unable to meet with his friends."

Mr. Michnik, 38, Mr. Lis, 33, and Mr. Frasyniuk, 31, all prominent Solidarity activists, are charged with illegal union activity in connection with the strike call. The charge carries a prison term of up to five years but the sentence can be increased by half for repeated or continuing offenses.

The strike was canceled after the government modified its price policy.

After his court appearance, Mr. Walesa signed a petition protesting "the first political trial of three leaders of Solidarity."

The petition is to be circulated in major cities and factories, Solidarity supporters said.

Mr. Walesa said that, as he was leaving the courtroom, Mr. Michnik called out, "Don't worry, Solidarity will win anyway." A defense lawyer, speaking outside the courthouse during a break, said the judge ordered Mr. Michnik out of the courtroom for the outburst. It was the fourth time Mr. Michnik had been removed for disturbing the proceedings.

Mr. Walesa wore a white T-shirt with a Solidarity logo and the words "L'Homme de Fer," or Man of Iron, the French title of the film by the Polish director Andrzej Wajda about the birth of Solidarity. The film won first prize at the Cannes film festival in 1981.

Cheered by a small group of supporters as he entered the courthouse, Mr. Walesa said that he was "eager to fight" and that he accepted personal responsibility for calling the meeting.

"I have nothing to hide because the meeting was not a secret one and the members who took part in it were not hiding when they came to my apartment," Mr. Walesa, 41, said. "We have a clean conscience."

The court also heard testimony Monday from two police witnesses who authenticated a tape recording of an interrogation of Mr. Lis by two secret police officers in Gdansk in January, according to relatives of the defendants who were in the courtroom. Mr. Lis claims the tape was doctored to misrepresent his remarks.

The police experts said the tape was original and had not been tampered with. They said it had one break that occurred when Mr. Lis's interrogators handed him a copy of an underground article he had written so that he could read portions of it back to them.

In the tape, Mr. Lis allegedly admitted to taking part in a clandestine meeting with Solidarity underground figures in January at which the strike call was issued.

Mr. Walesa denied in his testimony that he called the meeting to discuss plans for a strike, according to a defense lawyer who recounted the testimony on the condition he not be identified by name.

"Until the police came in we were not talking about anything specific since not all the people who were invited had arrived," the lawyer quoted Mr. Walesa as saying. "Until that moment we had been telling jokes" and bringing each other up to date "since we hadn't seen each other in a long time."

Queen Joins Effort in U.K. To Evict Syrian

Reuters

LONDON — Queen Elizabeth has joined an effort to evict a Syrian diplomat alleged to be illegally occupying a British family's apartment, Foreign Office officials said Monday.

They said Ahmed Walid Rajab, invoking diplomatic immunity, has ignored a court order to leave the three-bedroom apartment, which he rented from John Chaffey for six months in 1982. Mr. Chaffey, married with two young children, said his family had been homeless for nearly three years and had spent thousands of pounds trying to repossess the apartment.

Mr. Chaffey finally wrote to the queen. Officials said she asked the Foreign Office to act to remove Mr. Rajab, an adviser on Arab League affairs at the Syrian Embassy.

Officials said the Syrian ambassador had been called to the Foreign Office and urged to resolve the issue.

Russians Offered Wallenberg Swap, U.S. Lawyer Says

United Press International

ATLANTIC CITY, New Jersey — Raoul Wallenberg, the Swedish diplomat who saved thousands of Jews from Nazi death camps, was offered to Sweden by the Soviet Union in a prisoner exchange in 1962, 15 years after he was said to have died, said a lawyer for his brother and sister.

In an interview published in the current issue of The Jewish Record, a weekly newspaper, Morris Wolff, a Philadelphia lawyer, said that the trade fell through because Sweden did not offer enough Soviet prisoners in exchange.

[The Swedish Foreign Ministry denied Sunday that there had been any such Soviet offer.]

Mr. Wolff has sued the Soviet Union in U.S. District Court in Washington on behalf of Mr. Wallenberg's brother and sister, demanding an accounting of Mr. Wallenberg's whereabouts.

Mr. Wallenberg vanished when taken into Soviet "protective custody" in Hungary in 1945. A Soviet announcement in 1957 said that he had died in prison 10 years earlier, a claim that has been rejected by some Western investigators.

U.K. Missile Protesters Held

Reuters

ALCONBURY, England — The police said Monday they arrested 12 anti-nuclear protesters who broke into an air base near Cambridge used by U.S. forces and painted slogans on British bombers. Alconbury will be a support base for 64 U.S. cruise missiles to be deployed at nearby Molesworth in 1988.

Long-Range Problems Face Computer Industry

(Continued from Page 1)

home to roost a few years later," said Simon Ramo, a founder and director of TRW Corp., a diversified manufacturer with interests in computer services.

On top of the oversupply has come a slowdown in the growth of demand for computers and other electronic equipment. For instance, sales of personal computers, which about doubled year after year for several years, are expected to increase no more than 30 percent this year and may not increase at all. Semiconductor sales are expected to drop at least 20 percent as inventory excesses are worked off.

Some causes of the slowdown in demand are short-term. Customers may be waiting for new products that are planned but not yet available. Sales of mainframe computers are down because customers are awaiting delivery of new IBM models later this year. And personal computer buyers may be waiting for new, more powerful machines, such as IBM's PC-AT and rumored PC-2.

Yet there are other, more fundamental shifts as well. For one, perhaps customers simply cannot absorb any more computers.

"The user population was like a starving man sitting down at a banquet," said Aaron Goldberg, an analyst with International Data Corp., a market research concern. "They've feasted for two years and now can't eat any more."

There is a growing realization among computer companies that they have not necessarily been satisfying the customers. Many people use their computers for only one task rather than the multiple tasks that computer makers had envisioned. As a result, sales of software have been far below expectations.

The demand for computers is expected to grow for a long time. But the easy sales are behind the industry, and now it must sell computers to people less eager for them.

Another thing that may take years is the industry's recovery from a shakeout caused by too much investment in the early 1980s. The amount of money invested in young enterprises, including many computer companies, through venture capital or in stock offerings, rose to $19 billion in 1983 from $600 million in 1977, according to Blake Downing, an analyst with Robertson, Colman & Stephens.

Most of that money, it is now conceded, went into companies that did not advance technology but merely offered variations of other companies' products. "It was a very huge waste of money," Mr. Downing said.

According to Hambrecht & Quist, an investment banking firm specializing in technology, the number of American companies making microcomputers rose to 47 at the beginning of 1985 from eight in 1981.

Microcomputer software companies increased to 280 from 34, producers of hard-disk drives, or high-capacity data storage devices, to 54 from 11 and local area network companies, which make the systems that link computers at high speeds, to 61 from nine.

Even more troublesome, however, is foreign competition. This is particularly true in semiconductors, where the Japanese and now the South Koreans are making a determined effort. The Japanese have virtually captured the world market for dynamic RAM, or random access memory, chips, and U.S. manufacturers, frustrated at being unable to sell in the Japanese market, are at a boiling point.

The U.S. semiconductor industry, which used to have only an occasional slump, has performed poorly in three of the past four and a half years.

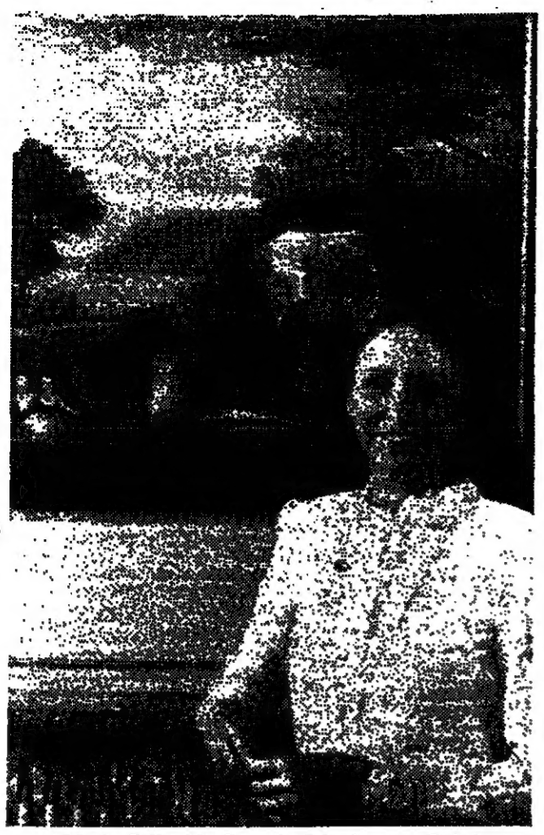
Chip prices have plunged. The chips inside an IBM PC-XT computer, which would have cost $319 last August, according to Dataquest, today would cost $110. The chips inside Apple's Macintosh model, with 512,000 characters of memory, would have sold for $500 last August; now they would fetch a mere $95.

The excess of domestic and foreign competition also points to another change that will make it more difficult for computer companies to prosper in the future.

The computer industry's prospects do not seem likely to improve until the end of this year at the earliest.

A slump will persist into 1986 for several segments of the business, according to some experts. And if the overall U.S. economy gets worse, the industry's problems could last even longer.

ARTS / LEISURE



Marie Galbraith: Snow in July, jeans at Rungis.

Envoy's Wife in Paris: A Mutual Love Affair

International Herald Tribune

HEBE DORSEY

PARIS — Before Marie Galbraith came to Paris in 1981 as the wife of the U. S. ambassador to France, she had been — not necessarily in this order — a social secretary, a fashion magazine editor, an ad director, a photographer, a real estate saleswoman, a free-lance fashion stylist and Peter Ustinov's Girl Friday.

All this, she feels, accounts for her ability to cope with being an ambassador's wife, a job that has involved not only entertaining an average of 20,000 people a year but also keeping track of the artistic, literary and scientific worlds; rearing three children; redecorating the embassy residence (upstairs and downstairs); and publishing a book on the residence. The last was her final project before leaving Paris. In July, her husband, Evan G. Galbraith, returns to being an investment banker.

Life in an embassy can involve a crisis a minute, and Mrs. Galbraith became an expert at doing a thousand things once. For instance, during a recent interview she was also making sure that the tents in the garden (where she was having 1,000 people that evening for the Paris Air Show) were set up correctly, lining up her staff of 18 for some goodbye pictures ("This is our last chance. After that, everybody goes on vacation") and rearranging her children's lives (one lives in England; the other two are with their parents).

"But if you can produce snow in Central Park in July," she said, referring to her fashion-editing days, "you can do anything."

Despite considerable wear and tear, Mrs. Galbraith, an attractive, soft-spoken brunette, more than coped because, for one thing, she has been coming to France on and off since 1953.

"I love the French," she said. "I feel so at home here. From the day I came in 1953, I had a feeling of déjà vu — as if I'd been here before. French and Americans make a wonderful combination. Each has something that the other one appreciates. The French have a sensibility and a sense of aesthetics which they express and it's important to say that. Because it's not that it doesn't exist in America, but it's not as articulated.

"Americans have this wonderful generosity and simplicity. They are genuinely welcoming. It's a wonderful marriage," she added, "because French and Americans also have a lot in common. They're both practical and outspoken."

The French loved her back. Hundreds of letters, both personal and professional, poured in after the announcement of the Galbraiths' departure. The couple gave three grand dinner parties at which they effortlessly mixed members of the government and the opposition. At one of them, Prime Minister Laurent Fabius and the ambassador exchanged warm and friendly words that seemed to go far beyond the usual niceties said at such occasions. The Galbraiths, who were entertained by countless French friends, also had a small, private dinner for former President Valéry Giscard d'Estaing. Then Mrs. Galbraith's favorite designer, Guy Laroche, gave a small dinner party in his kitchen-bistrot "with just us and the Chiracs, the Gregory Pecks, Line Renaud and it was just wonderful."

Mrs. Galbraith also had a personal rapport with small artisans, with whom she dealt one-to-one. Through redecorating the embassy, she got to know the carpenters, upholsterers and electricians. French friends took notice of the way she did things. "I loved it when they came here and said something about the flowers or the decor. They took a personal interest in this house. They'd say things like: 'You're *our* ambassadress.' I also noticed that after they came here, next time, they'd have *le pique-nique* and not butlers with white gloves.

"Things have changed considerably since 1953," she said, recalling a period when the effects of World War II were still acutely felt in France. "Then, everybody was still on bicycles and you couldn't get a hot bath. When I gave a cocktail party, I had to get permission from the *commissaire de police*. Girls from good families had to go to the movies properly escorted by a chaperone, and young girls did not have jobs in France."

Today, Mrs. Galbraith believes in doing a lot of things herself. Touring the embassy's residence, she said: "The first thing I did when I arrived here was to put on my jeans and go to the Rungis flower market."

Paper Airplane Champion

United Press International

SEATTLE — John Vincent, 33, won the World Indoor Paper Airplane Championship when his entry landed closest to the center of the Kingdome stadium. Vincent, a Qantas Airways employee from Sydney, Australia, won a trip for four to Disney World Seattle.

British Rock's New Countertenor: 'Is That My Voice?'

By Michael Zwerin
International Herald Tribune

MONTREUX, Switzerland — As a rock group of three working-class young men who made their homosexuality a public affair and the subject of their songs, Bronski Beat has sold 2.5 million units, including an LP and three hit singles on the British charts in a little over a year.

Bronski Beat consists, or rather consisted, of Steve Bronski and Larry Steinbachek on synthesizers, and Jimmy Somerville singing. Their performance here in May for the "Rose d'Or" festival was Bronski's last beat.

The fact that they have already broken up as a group is an example of how fast fame and fortune can arrive in British rock, and how traumatic that experience can be for young people whose previous working experience consisted of collecting unemployment benefits.

But countertenors are very much the style nowadays — Michael Jackson and Prince, for example — and Bronski's self-taught vocalist Somerville has a potential to equal the grace and artistry of the famous baroque countertenor Alfred Deller, should he decide to work at developing his talent. Unfortunately, this is rather unlikely — the pop music industry rewards image before, and usually instead of, artistry. A dictum in the milieu goes, "Too good is no good." And Somerville has a perfect hermaphroditic image for this year's trend. He has already signed a recording contract under his own name.

With the first flush of success, Bronski and Steinbachek had purchased expensive living quarters in London, while Somerville, who still lives in two small rooms in a project in Kennington, reacted to stardom with "shame and disgust." "It came too fast. When we signed a recording contract we were still living in a Camberwell squat. All of a sudden everything changed, it was all about money. It stopped being fun."

All three insist there is no animosity, that the split was due to the pressure of "getting caught unprepared in the machinery of success," as Somerville explains it.

Although Somerville objects to the treatment he has received from the Fleet Street press, he asked for it, which he tacitly admits: "Our songs are very honest, very blatant. We don't pretend to ourselves or to anyone else. Perhaps we did not think enough about the price of honesty. Maybe it backfired."

The list of minimum legal ages for homosexual encounters in countries around the world on the jacket of their album, "Age of Consent," was deleted from the U. S. release.

"But it backfired in the sense that we lost control of it." Somerville speaks with a Scottish brogue so thick it requires frequent translation: "It was distorted into something we didn't want it to become. The press and promotion people made us out to be a gay band instead of gay members of a band. Not one article talked about my voice."

He has a natural, unforced voice, and an instinctive sense of phrasing and intonation. His friend Richard Coles, a schooled saxophonist from the Midlands with whom he is forming his new group, pointed proudly to Somerville and said: "He's got a range of almost four octaves — up to high C. The Institute of Contemporary Arts offered him the role of the Queen of the Night in a production of 'The Magic Flute.'"

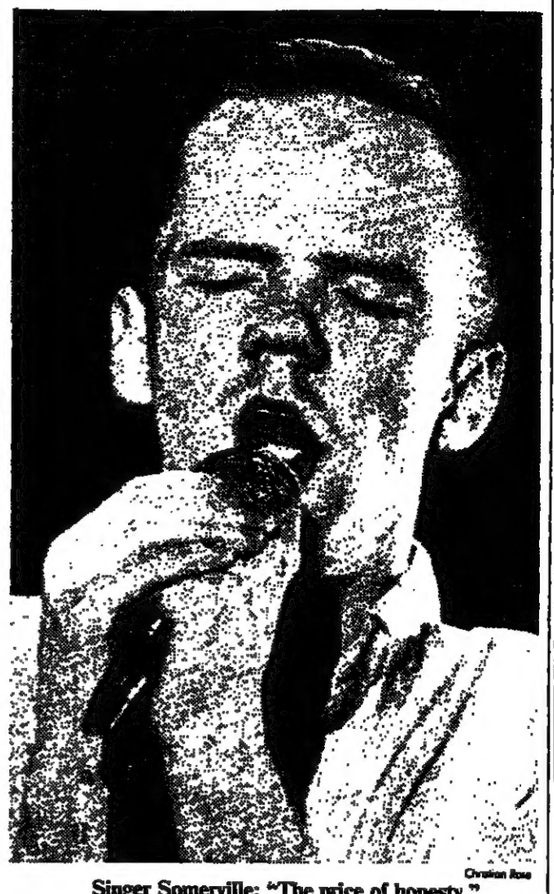
Somerville shook his head with the madness of it all: "Maybe in 10 years. I'm not even a princess yet. You know I never listened to anything but disco. I hear my tapes and say, 'Is that *my* voice?' It's slightly embarrassing."

Leaving his parents' home in Glasgow at the age of 18 (he is 23 now), Somerville came to London, and: "The first thing I did was go to a gay bar in Earls Court. I'd never seen anything like all the sex shops and sleaze. It was very exciting. But I was scared and lonely as well."

There is nothing blatant about Somerville's appearance. He sang here in the same cardigan sweater he wore on the street, his hair is cut working-class short, he does not wear makeup. This lack of panache has given birth to a new style in London, a sort of lack of style. London gays are beginning to cut their hair like his, to wear jeans and sweaters and avoid the outrageous image of yesterday's heroes like Boy George. Even Boy George has cut his hair.

Teen-age girls scream when Somerville sings, and Bronski's audience had a large smattering of straight young males. On stage between vocals Somerville moves and smiles with ease and grace, and it is obvious that whatever that elusive charismatic "it" consists of, he has it.

He and Coles are off to New York this summer to record their new project, including originals and some standards associated with Billie Holiday. It seems fairly obvious that his is a talent that has the potential to grow beyond the limited appeal to one group or inclination he himself has temporarily imposed on it. But in the meantime, he still thinks of himself as a reflection of his media image: "It's exciting to be England's best-known gay."



Christian Rose

Singer Somerville: "The price of honesty."

A Last Hurrah for Fools At Copenhagen Festival

By Gunilla Faringer
The Associated Press

COPENHAGEN — The Danish capital was invaded by musicians, dancers, clowns, street actors and acrobats Sunday for the opening of the fifth "Festival of Fools."

Eight hundred musicians and singers, ranging from big bands to rock groups, turned the city into one big concert hall in a spectacular event called "City Waves," staged with bicycles, boats and balloons by the American composer Charlie Morrow.

Murrow described the performance as "a reflection of the universal consciousness, with no one able to see it all, but everyone a part of it."

The organizers of the monthlong festival invited 33 experimental theater and dance troupes from 14 countries. They will concentrate on innovative drama and multimedia shows. There will be "fools" all over town, and spectators will watch some dockside performances from sightseeing boats.

A British group calling itself IOU, made up of artists, sculptors, architects and musicians but not a single actor, brought a wordless show of dance, puppets, mask, machines and even railroad cars into the dock area. According to the group's Louise Oliver, the aim was to demonstrate what happens "when something well-known collides with something unknown."

An Australian known only as Stelarc stages an "event" in which he dangles naked, from hooks piercing his body, in settings that change from performance to performance.

Four exhibitions with the joint name "People and Space" combine architecture, video, graphic art, photography and live performances in line with the festival's declared goal of crossing the borders between forms of artistic expression.

A large part of the festival is devoted to modern dance and ballet. Among the youthful, experimental groups is Bill T. Jones-Arnie Zane & Co., an American troupe, which bases its choreography on black music and dance. Min Tanaka & Mai-Juku from Japan offer their interpretation of Shakespeare's Macbeth, including nude scenes.

The festival, held after a two-year lapse, is dependent on funding from the city of Copenhagen and private sponsors. It attracted thousands for the opening event, but its organizer, Trevor Davies, said it was the last festival of this type.

"This is the best, but also the last, Festival of Fools," he said. "We cannot do it better, and therefore have to find new, astonishing and provocative ways to avoid getting stuck in past successes."

Shopping Center In Houston Aims At Hispanic Buyer

New York Times Service

HOUSTON — El Mercado del Sol, a 17-acre (seven-hectare) shopping center billed as "the nation's largest Hispanic theme festival center," has opened here.

The center advertises itself as "a short trip to Mexico," but it is not primarily a tourist attraction.

Instead, it aims at the fast-growing Spanish-speaking population, which has become a significant part of the economic, social and political life of Houston, the country's fourth largest city.

In Houston and surrounding Harris County, the number of residents of Hispanic heritage is officially estimated at just over half a million. But other estimates put it at from 800,000 to 1.2 million. The total population of Houston's metropolitan area is more than 3 million.

The Hispanic population consists of not only Mexican-Americans but also immigrants from the Caribbean region and illegal aliens. They have shared in the recent prosperity common to the Sun Belt states.

Herald Tribune INTERNATIONAL
Published With The New York Times and The Washington Post

A New Chance With India

When Rajiv Gandhi arrives in Washington on Tuesday for his first visit as India's prime minister, there will be ample reason for good will. There are no real quarrels between the most populous and the most powerful of the world's democracies — no hard disputes over territory, trade or ideology. Yet a granule of sour suspicion will linger in the air, the legacy of a long-strained relationship.

The time is right for a frank examination of those strains. Mr. Gandhi is the first Indian prime minister to come of political age after independence in 1947. Inheriting the office after his mother was murdered last October, he went on to earn it in an impressive landslide in December. He arrives when America's interest in India is at high tide, thanks to films, television and the coast-to-coast cultural festival he came to inaugurate.

This sympathy is reciprocal. The Bhopal disaster did not ignite anti-American riots, only lawsuits against Union Carbide Corp. Mr. Gandhi favors more American investment, and his talks with President Reagan are expected to confirm an agreement to ease technology transfers. So why do countries that officially speak the same language so often talk at cross-purposes?

The short answer is a different perception of what constitutes evenhandedness. The abiding Indian lament is that Washington repeatedly tilts to Pakistan, a dictatorship thirsting to match India's nuclear capability, an adversary suspected by Indians of abetting Sikh separatism in the Punjab. The abiding American lament is that India too often tilts to Moscow, as typified by Mr. Gandhi's excuses for the Soviet invasion of Afghanistan.

Both complaints have merit. In its anxiety about Pakistan's exposure to Soviet operations in Afghanistan, for example, Washington has favored it with a generous $3.2 billion aid package, including advanced aircraft that might one day be directed against India. But Prime Minister Gandhi did not invite sympathy when he recently repaid his Soviet hosts for their aid to him with the astonishing judgment that 120,000 Soviet troops were Afghanistan's "invited" guests.

A true resolution of these reciprocal complaints would find India finally waging a sustained campaign for Soviet withdrawal from Afghanistan, in return for which the United States should indeed draw back from its support for Pakistan. Both countries may be dug in too deep to realize such a bargain, and India's affinity for the Soviet Union has its own logic, no matter who is prime minister.

But if these differences cannot be quickly resolved, Rajiv Gandhi addresses them with less impatience than his formidable mother. At the least, his visit should open a more equable chapter in a contentious book.

— THE NEW YORK TIMES.

Strings on Argentine Loans

Argentina, struggling to cope with its foreign debts, is now working out a new agreement with its lenders. These negotiations try to strike a balance that has more to do with political values than with finance. Argentina is a democracy, but a recently re-established democracy, one not yet as firmly rooted as its friends hope it will become. It is also a divided society with a tradition of instability. The government needs new loans to help carry the interest on past debt and to maintain the flow of foreign trade on which the country's prosperity depends. What conditions ought to be attached to those loans?

The inflation rate in Argentina last month was about 25 percent for the month — which works out to over 1,000 percent on a yearly basis. To lend unconditionally to a country with unrestrained inflation merely finances more consumption and more capital flight. To raise standards of living and to reduce the debt remains impossible as long as the inflation rate continues at that level. Foreign lenders are justified in making their loans contingent on action by the Argentine government to lower the inflation rate. The lenders want to press hard enough to ensure visible progress. But they cannot press so hard that they damage the government and the cause of democracy.

The key negotiator among the lenders is the International Monetary Fund, for it sets the conditions. Governments and banks will then make their loans contingent on the IMF agreement. At the end of last year a group of banks had undertaken to lend Argentina $4.2 billion, but disbursement halted in March when the IMF declared that Argentina was no longer complying with its earlier agreement.

The current negotiations are another attempt to find a way to join economic necessity to political possibility. Why is it so hard? Much of it involves cutting the budget, which means cutting subsidies and social benefits. U.S. citizens do not have to go as far as Argentina to find an example of a democratic government that refuses to bring taxes and spending in line with each other.

When Argentina and the IMF have arrived at their agreement, the United States will support it with an immediate loan of perhaps $450 million. That is a sensible and useful decision by the Treasury Department. To help Argentina avoid default serves both Argentine and U.S. interests. The impact of a default on the American banking system would be manageable, but not without significant costs.

The succession of negotiations, agreements and lapses is an accurate indicator of the strains on the indebted countries. The Latin debt crisis has by no means been resolved. The real hope lies in the resumption of steady economic growth throughout Latin America. That is why the IMF's conditions are crucial.

— THE WASHINGTON POST.

Other Opinion

Defense Waste: A Secret Weapon

Scandals about defense contracts are hardy perennials in Washington political life. But recently there has been an unusual profusion of them. From the $600 ashtrays to troubles at General Dynamics, the underlying question is the same: How can the U.S. government regain control of what President Dwight Eisenhower almost 25 years ago first called the military-industrial complex?

In the last resort, no amount of rigorous control procedures can have a reliable effect unless there is a method of knowing that $7,000 is too much to pay for a coffee-making machine. There is such a method, it is tried and tested, and it is called competition. Only through competition can the Pentagon have a reasonable chance of avoiding the scandals currently dogging the U.S. defense industry, and of surviving congressional budget-cutting without a loss of military security.

— The Financial Times (London).

Sri Lanka Peace Plan Is Needed

A week has passed since President Junius Jayawardene of Sri Lanka and Prime Minister Rajiv Gandhi of India announced agreement in New Delhi to take steps to ease tension in Sri Lanka caused by Tamil demands for a separate state. But the Delhi communiqué failed to spell out ways in which peace could be restored to the troubled island nation.

The matter is both urgent and delicate: urgent because the bloodshed in Sri Lanka is slowly propelling that country toward a ruinous civil war and because it is damaging the economy; delicate because the conflict has affected Sri Lanka's relations with India, which accused Colombo of discriminating against the Tamils. Sri Lanka, in return, has demanded that India stop Tamil separatist guerrillas from using secret bases in its southernmost state as a springboard to attacks, something New Delhi claims is not happening.

Any settlement is going to be extremely difficult because agreement would have to be reached among a host of diverse groups that are hostile to each other. And President Jayawardene knows full well that if he gives way on Tamil demands he will face a backlash from the Singhalese majority in his country.

The most urgent task is to put a stop to the bloodshed. And if the meeting in New Delhi has paved the way for measures that will achieve an eventual cease-fire, then it will have marked a milestone in regional diplomacy and been truly worthwhile.

— The Bangkok Post.

Sanctioning South Africa

The U.S. House of Representatives has approved a series of economic sanctions against South Africa. Coming after the Senate Foreign Relations Committee adopted a similar stance, the House move marks a brutal failure of President Reagan's policies. The efforts of the White House and Secretary of State George Shultz to defend "constructive engagement" — [diplomatic] support in exchange for progressive dismantling of the apartheid system — failed to convince the congressmen, who showed they were responsive to public opinion. Americans believe the United States can no longer appear as the best friend of an unacceptable regime.

— Le Monde (Paris).

FROM OUR JUNE 11 PAGES, 75 AND 50 YEARS AGO

1910: Western Union Named in Fraud

WASHINGTON — The Federal Grand Jury investigating charges of alleged bucket-shop frauds returned forty-two indictments against the Western Union Telegraph Co. [on June 10]. The indictments charge Western Union with having supplied the bucket-shops with a rapid wire service which enabled some outside brokers to obtain Stock Exchange prices before brokers in good standing were supplied. In April, twenty members of firms [in various U.S. cities] were arrested in connection with these frauds. Attorney-General Wickersham took this step in order to stop the immense business done illegally by bucket-shops, whose operations are of a gambling nature.

1935: A New 'Gold Rush' in Canada

OTTAWA — Canada has begun her latest "gold rush," a scientific survey stretching from Nova Scotia to the Yukon, to find gold and other mineral deposits. The vanguard of an army of nearly 1,500 amateur and professional prospectors has left for the Yukon, famous for many gold "strikes." They are being followed by about 200 other parties, who will survey the far corners of the country where white men have seldom trod, to map the mineral deposits. It is expected the search will last a year and cost $1,000,000. Canada is the second largest gold producer in the world, with an output of $100,000,000 annually. Officials believe the survey will enable this to be greatly expanded.

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Cutting Military Spending: It Can Be Done

By Paul C. Warnke

WASHINGTON — The momentum of the Reagan administration's military buildup finally has been slowed. Congress has made clear that the once-sacrosanct defense budget must bear a portion of the deficit-cutting burden. With the overall spending level chosen, the crucial process of deciding what and where to cut begins. How these reductions are made will affect the shape and direction of national security for the rest of the century.

Unfortunately, the easiest, least politically painful cuts will not correct the buildup's fundamental problem — buying too many weapons too quickly. Traditionally, Congress has shied away from canceling weapons systems in favor of reducing the funds to man and maintain them. This yields savings more quickly because such funds are spent immediately, whereas weapons production costs are spread over several years.

Yet because the Reagan program concentrates on arms procurement (spending has more than doubled in the last five years) genuine attempts to restrain military costs cannot succeed unless weapons programs are cut. Otherwise, like a sponge temporarily squeezed dry, the defense budget will grow back to its original size as earlier commitments to purchase hardware come due.

Ironically, debate fails to focus on the real alternative — the United States could have more capable forces at a substantially lower cost. Investing in improved conventional capability to meet the most realistic threats, and thoroughly weeding out redundant or misdirected weapons programs, would provide better defense and significant savings.

To demonstrate this, the Committee for National Security, a public-policy group of which I am chairman, has prepared such an alternative. Using data compiled by William Kaufmann of Harvard University, a defense budget adviser to Republican and Democratic administrations since the 1960s, the study offers an alternative five-year defense plan that would save billions of dollars while enhancing military strength.

Beefing up conventional forces requires two important changes from the current program. One is increased funding for the National Guard and all military reserves. Without a return to the draft, they are the only source of manpower in the face of the continuing shortage of 18- to 22-year-olds.

Second is a shift from buying cargo aircraft to buying fast transport planes. The administration's programmed investment in airlift prepares the United States to respond quickly only to a crisis in Europe. Fast sealift could deliver more at lower cost, and enable the United States to meet simultaneous contingencies in Europe, the Middle East and Korea.

The committee also recommends restarting production of A-10 aircraft, to give the army better close air support during a land battle's crucial early stages. Even accepting the administration's perfervid view of the external threat the country faces, U.S. forces could be substantially better shaped and prepared.

The savings would result from the concerted effort to restore order to the defense budget. Some ill-conceived or misdirected programs must be scaled back or canceled.

Two examples are the overblown, oversold Strategic Defense Initiative that calls for a space-based anti-missile defense, and the 600-ship navy. Holding SDI funding to fiscal 1985 levels would ensure necessary research but avoid the risk of stimulating an offensive and defensive arms race that would leave the United States with more nuclear arms and less security than before.

The navy has failed to make the case for expanding from 12 to 15 aircraft carrier battle groups: 12 provide ample means to protect sea lanes and, when advisable, to project American power in the Third World. Over the next five years, injecting realism into these two programs could save $83 billion from the administration's proposals.

Further savings would result from eliminating weapons systems with overlapping missions. Haunted by its vision of awesome Soviet military might, the administration has concentrated on buying as many weapons as quickly as possible, but has shown only minimal concern for whether these new systems are really necessary.

The administration also appears enamored of the supposed symbolic value of a big defense budget to impress the Russians with U.S. resolve. This apparently carries more weight than curbing the services' penchant for each developing its own weapons for its own purposes, regardless of the resulting duplication. From the numerous systems for North Atlantic Treaty Organization air defenses to the nuclear programs for "hard target kill capabilities," the budget landscape is increasingly littered with redundant weaponry.

Canceling the least effective of the duplicative systems would save billions and, more important, provide the basis for a sound and sustainable military program.

The writer, director of the U.S. Arms Control and Disarmament Agency in 1977 and 1978, contributed this view to The New York Times.

'Let's see . . . Iron ball, large, prob'ly run around 10 grand apiece, 2 feet of chain, heavy, at $3,500 a foot, one iron bracelet . . . How many of these units you need?'

Forgotten East Timor Deserves a Voice in Its Future

By Jonathan Power

LONDON — Last week more than 400 parliamentarians from democracies in many parts of the world published a declaration supporting the right of the people of East Timor to be represented at talks being held between Portugal and Indonesia on the status of the island.

Given a recent history of fading public support for the East Timorese, the declaration was timely.

Indonesia invaded East Timor, a Portuguese colony in the Indonesia archipelago, on Dec. 7, 1975. It was a huge invasion involving bombers, paratroops and marines. The army wreaked havoc; there was indiscriminate killing and rape.

Three months later the Indonesian vice governor admitted that 60,000 Timorese had been killed — more than one-tenth of the population.

While many Western nations complained about China's invasion of Tibet, or supported British military action after Argentina's attempted grab of the Falklands, protest over East Timor has been low key. Yet in contrast to China and Argentina, Indonesia is an invading power with no historic claim to the land it invaded. For 400 years East Timor was under Portuguese control. It was never part of the Dutch empire or of the archipelago's political structure. The Indonesian claim is as farfetched as would be a Cuban claim to Jamaica.

As late as 1974, the Indonesian foreign minister, Adam Malik, said that "the independence of every country is the right of every nation, with no exception for the people in Timor." But events changed Indonesia's mind. In 1974, the Salazar dictatorship in Portugal was overthrown. At the same time there were bitter internal struggles for power in East Timor, and the victor, the radical Revolutionary Front for an Independent East Timor, or Fretilin, unilaterally declared independence. These were the triggers for Indonesia's invasion.

In 1977, faced with significant resistance, the Indonesians launched a large-scale aerial bombardment of villages in the mountainous interior. Hundreds of thousands of villagers were forced out of their homes and down to the coastal plains where they were herded into "strategic camps." Only after two years of persistent lobbying were international relief agencies allowed to provide aid and services in the camps, which by then had about 300,000 inhabitants.

Professor Leo Kuper of the University of California at Los Angeles, who is considered a leading authority on mass killings, describes what happened then as "genocide," such was the degree of unbridled brutality and so large were the numbers who died — up to one-third of the population.

The initial response at the United Nations seemed promising. A majority of General Assembly members voted against Indonesia's takeover and demanded its withdrawal, saying East Timor was still legally part of Portugal and had a right to self-determination and independence.

Over time, however, Western and Soviet-bloc enthusiasm for the resolution has waned. It is the Third World nations that have incurred the wrath of Jakarta by continuing to insist on Indonesian withdrawal. But even they have become more divided: It has been three years since they have mustered a majority on the issue in UN votes.

The United States and some West European countries supply arms to Indonesia and see its government as a force for pro-Western stability in a potentially volatile corner of the globe. Australia, 300 miles (480 kilometers) to the south of East Timor, has gone a step farther, recognizing the island as "part of Indonesia."

In 1979, Professor Kuper says, the Soviet bloc began to change its line. When the Russians and their allies were vainly trying that year to unseat the Cambodian representative at the United Nations in favor of the Vietnamese-sponsored Heng Samrin government, an attempt was made to woo the Indonesian vote with the promise that support for the East Timorese would be dropped.

Interestingly, the Vatican has been a pillar of support for the island's people. It has resisted pressure from Jakarta to make the local church part of the Indonesian bishops' conference.

But Indonesia is winning the war of attrition. Votes against it in the United Nations are falling off. The ball has been passed to the UN secretary-general, Javier Pérez de Cuéllar. He has been asked to chair talks between Portugal and Indonesia aimed at finding a settlement. These negotiations have dragged on for more than a year now.

This is why the declaration of the Western parliamentarians is important. Without the participation of a representative of the East Timorese, the talks simply lack credibility.

International Herald Tribune.

When Six Justices, and Ishmael, See Harm in Silence

By George F. Will

WASHINGTON — Melville's "Moby Dick" is either — readers differ — a great novel about God or a boring treatise about whaling. But Chapter 89 is about law and is relevant to the question of why today's U.S. Supreme Court, which does not suffer in silence, suffers from an onerous work load.

Last week the court chewed yet again on the First Amendment's Establishment Clause, that simple injunction ("Congress shall make no law respecting an establishment of religion . . .") that the court has contrived to make absurdly complicated.

Melville praised the terseness of the whalers' code, which could be engraved in a harpoon's barb: "A fast-fish belongs to the party fast to it." And: "A loose-fish is fair game for anybody who can soonest catch it." But such concision left room for ample contention. Was a whale "fast" (attached) when just bearing a symbol of possession? Was a whale "loose" if dragging an empty boat?

The generalness of many of the Constitution's provisions guarantees for the court a constant flow of work. The Constitution's open-textured language has allowed it to suit both a simple agrarian and a complex industrial nation. But the court has kept busy deciding, for example, what constitutes "interstate commerce," or how the phrase "unreasonable searches" relates to electronic surveillance. The Establishment Clause, reasonably read, is devoid of complexity. It means government must not be partial to a particular religion or sect.

But last week a litigious Alabaman persuaded six justices to rule that Alabama ravished the Constitution with a law authorizing a minute of silence in public schools "for meditation or voluntary prayer."

A moral objection to "voluntary spoken prayer" in schools is that it can be neither really prayer nor truly voluntary. It must be thin liturgical gruel to give no offense to any sect, and children will feel coercive peer pressure to participate. But what injury does a moment of silence do? The only "injury" is to a few litigious adults — self-appointed thought police — whose injury is the annoyance they feel about what might be in a child's mind, or a legislator's.

Had Alabama deleted the last three words in the phrase "meditation or voluntary prayer," the court probably would have said the law passed constitutional muster.

Indeed, the man who brought this suit (call him Ishmael, because that is his name) said he did so only because he detected a suggestion that prayer is the "preferred activity" during the silent minute.

The justices could devote even more time to complaining about their case load if they would just use Will's Generic Opinion. It is a one-sentence opinion applicable in 99.99 percent of all contemporary cases arising from government action touching religion: "The practice in question does not do what the Establishment Clause was intended to prevent — impose an official creed, or significantly enhance or hinder a sect — so the practice is constitutional and the complaining parties should buzz off."

But in 1971, the court decided, contrary to the clear evidence of the Framers' intentions, that the Establishment Clause requires government to be punctiliously neutral, not between religious sects but between religion and secularism. So the court devised a rococo three-part test: Government action touching religion is presumptively unconstitutional unless it has a secular purpose, and its primary effect neither advances nor inhibits religion, and it does not foster excessive entanglement of government with religion. Given that formula, the outcome of the Alabama case was, perhaps, predictable.

Still, Justice John Paul Stevens, writing for the majority, took 23 pages to explain that Alabama's purpose was not pristinely secular and hence the law violates the convoluted misconstruction with which the court has replaced the unambiguous concision of the Establishment Clause.

The court's previous triumphs regarding the Establishment Clause include a ruling that it is constitutional to use public funds to buy textbooks for religiously affiliated schools, but unconstitutional to buy other instructional material, such as maps. That harebrained hair-splitting caused Senator Daniel Patrick Moynihan to throw up his hands in Celtic eloquence and ask: What about atlases?

The court has said legislatures may pay chaplains, but now a suit is coming that seeks to prevent the use of public funds to print chaplains' prayers, presumably because exposure of nonlegislators to the chaplains' works would "establish" religion. I hope such cases inundate the court until the justices fall on their knees (not on government property, of course) and pray for relief from the consequences of their cleverness.

Washington Post Writers Group.

Food for All But Those Who Need It

By Flora Lewis

PARIS — The world has reached an absurd impasse on food supplies. Of all the crazy problems people have created for themselves, nothing seems so preposterous as the maldistribution of life's essentials.

Last year, taxpayers in the United States and Europe provided $36 billion in subsidies for farmers — $19 billion in the United States and $17 billion in the European Community — according to Maurice Williams, head of the UN World Food Council.

Now the United States is going to give Algeria a million-ton "bonus" of grain in order, as Agriculture Secretary John Block says, to "buy the market." Several other countries are being considered as beneficiaries of the U.S. program to regain its share of sales in competition with Europe.

It is cheaper to ship food than to store it. The United States wants to cut its surplus and drive the Europeans to negotiate an end to subsidies. The fact is that farmers in the United States and Western Europe produce too much more than the rest of the world can buy, so they sell hard.

Meanwhile, many millions go hungry and infants die of diseases related to malnutrition. Food aid to Africa has doubled in two years, from 3.5 million tons in 1983 to 7.5 million this year, because of famine.

But while aid prevents immediate starvation, it only compounds the real trouble. Mr. Williams, who is directing the Food Council's ministerial meeting here this week, said there was too much aid and too little attention paid to stimulating African production. Every city on the continent lives on food imported from abroad, not on the output of its farmers.

Per capita production of food in Africa has declined sharply as population has soared. Some African countries have begun reforms urgently needed to improve their agriculture and motivate farmers. But virtually all African politicians refuse to consider that demography is a problem and that they are producing mouths a lot faster than food to put in them.

A whole complex of measures to alleviate this distress has been thought out. But there is not the coordination necessary either within the Western world or among aid recipients to make them work effectively. African nations do not have adequate management skills to organize the programs well, and outsiders either do not understand local conditions or are too concerned with besting rivals to ensure cooperation.

International efforts to feed the world and wipe out hunger have failed. This is all the more ironic because the terribly burdensome surpluses show success is possible. Instead of a war on hunger, the United States and Europe are heading for a grain war while poorer parts of the world are less able to feed themselves.

The crux of the problem is purchasing power. The ones who have it cannot eat more than they do and Western farmers cannot sell to the indigent. But there is also an obstacle in attitudes and an outdated way of thinking about agricultural trade.

As Mr. Block notes, agriculture is now a global industry. The trade tripled between 1950 and 1970, and it has doubled again since then. Still, countries think in strictly national terms, concerned above all to protect their own farmers at the expense of competitors. There is not the recognition of common interests in orderly trade patterns (something that did develop for industrial goods, though the understanding is in danger because of protectionist pressures).

The result is "economically inefficient and politically intolerable," in Mr. Block's apt words. The way the good producers are going about trying to help themselves risks disaster for all. The spectacle of world impotence before this twin plague of too much in some places and too little in others is especially shocking because it is man-made, not a fact of nature.

The key to a solution is obviously incremental, a series of steps that would reduce incentives to noncompetitive production in rich countries and increase incentives for output in poor ones. There also has to be a better sense of the purpose of aid.

The World Food Council has drawn up recommendations. They are sound. But the political will to act is lacking among the nations. There cannot be a quick breakthrough because any drastic move would hurt too many. There *can* be a clear plan to reverse what is so evidently a wrong direction and to move gradually toward proper adjustments.

Nothing is more basic to a stable world than a proper supply of food. Everything is available, except leadership and inspiration, to reach it through international cooperation.

The New York Times.

LETTERS TO THE EDITOR

Violence in the Stands

Regarding the opinion column "Soccer: The British as Europe's Bad Children" (June 6) by Anthony Burgess:

As a Briton living abroad I too was shaken by the Liverpool supporters' barbaric behavior in Belgium. I was equally stunned by Mr. Burgess's hypocrisy. Having written the repulsive "Clockwork Orange," he has contributed more than his share to further the cause of mindless violence.

PAULINE LECOUR.
Paris.

Mr. Burgess knows full well the difference between English and British. So too, do the Welsh and the Scots. So too, fortunately, do the European authorities who banned English clubs. The English are British; not all British are English.

T. CRAIG SINCLAIR.
Brussels.

Has no one considered that the fans' aggressive behavior might be linked to alcohol consumption? In fact, one report said that the hostilities in Brussels began with the throwing of beer cans. Is it conceivable that, on the day of an important match, local authorities might close pubs and liquor outlets, and stop the sale and import of alcohol in the stadium? The force of other contributing factors — such as seating arrangements and "ideology" — might then be diluted to the benefit of all.

ROBERT F. KESER.
Singapore.

Regarding the column "One Englishman's Reaction: Shame at the Inevitable" (May 31):

I agree with sportswriter Rob Hughes when he says that British authorities have been too lenient with hooligans for too many years. I also applaud his commendable restraint in not saying, "I told you so."

CHARI COANE.
Milan.

Ivory Tower Babble

Regarding "Foreign Professors in U.S. Classes: English Becomes a Barrier" (June 5) by Edward B. Fiske:

Of course foreign-born teachers must possess an adequate command of English to make themselves understood. But, as an American who has spent many years in institutions of higher learning, at both Harvard and the Massachusetts Institute of Technology, I can assure you that foreign instructors do not hold a monopoly on pedagogical ineptitude. Native American professors can also be incomprehensible, authoritarian, and inadequate in their didactic and personal styles. Shouldn't they, too, be required to undergo training to become teachers, or be selected for the laboratory rather than the classroom? Ultimately, universities must hire on the basis of an individual's qualities as a scientist or a scholar, rather than on the basis of his nationality.

Cultural differences have always been crucial sources of intellectual enrichment for the university and for Americans society at large. They should not now be treated as obstacles. Cultural autarchy is no solution to America's problems.

LEONARD C. GROOPMAN.
Paris.

Boom to End All Booms

The other day as I was driving down the E-5 autoroute outside of Brussels, I saw a road sign for a town called Boom (which means "tree" in Flemish). It occurred to me that perhaps the NATO officials who decided to deploy the missiles in Florennes, Belgium, made a mistake. They should have put the missiles in Boom. The sad part is that if there was a boom in Boom, there would be no more booms.

THERESE A. COLLINS.
Brussels.

Herald Tribune
INTERNATIONAL
Published With The New York Times and The Washington Post

ELECTRONIC BANKING

A SPECIAL REPORT

New Banks: Self-Service All the Way

By Kathleen Hawk

GAINESVILLE, Florida — The lobby has little in common with a traditional bank branch. A few tellers share a counter with automated teller machines. Along the walls, enclosures shield customers as they open accounts, calculate loan schedules, pay bills, trade securities or conduct other business by touching the glass faces of electronic terminals. Desks at the center of the room offer services such as insurance, real estate and travel arrangements.

Jointly developed by Bank One Corp. of Columbus, Ohio, and Diebold, a supplier of bank systems, this automated branch will open in October in an affluent suburb of Columbus. Calling it a "new horizon," John Russell, the bank's marketing vice president, said the systems were designed by "people who understand the consumer and how they're going to react to interactive devices."

These new units and Mr. Russell's comment illustrate a trend that links marketing goals with technology. Identified as the "third phase" of technology development by Touche Ross International in a recent 26-nation study, "The Impact of Technology on Banking," this movement involves "migration of service delivery into customers' hands" and "personal and global transaction and telecommunications networks."

Touche Ross International found that "a few countries, particularly the U.S. and several larger European countries," are leading this phase. The first two phases involved automation of back-office data processing and then automated payment systems and branch functions.

The technology offers challenges to the industry: On the "front end" that consumers see and use, there is high market sensitivity in design of both financial products and delivery systems, and, in the "backroom," increased reliability and access to a broadening spectrum of data bases by the infrastructure of computers, software and communications systems.

"There is a generation growing up that will view the banking terminal as their bank," observed John Morgridge, marketing vice president for Stratus Computer. "There will be a growing list of services and the terminal must always be available."

Ergonomics, the science of making machines comfortable for people, is helping produce a

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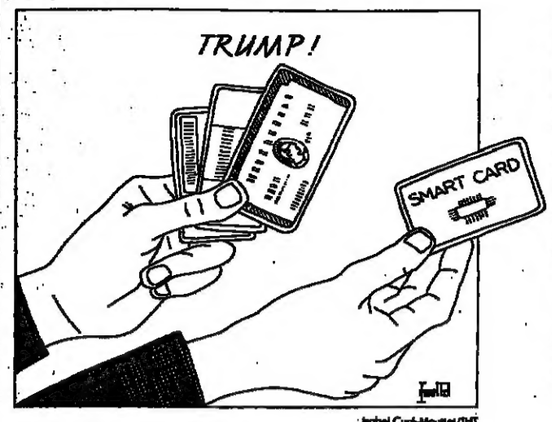

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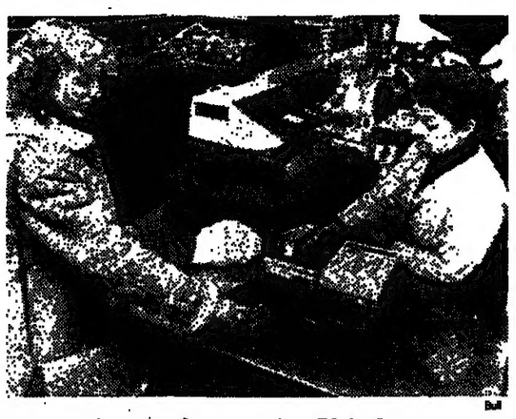

Automated payment in a Blois shop.

The Smart Card Earns Its Credentials in a French City

By Mark Hunter

BLOIS, France — In September 1982, this picturesque city of 58,000 on the banks of the Loire began an experiment to test the viability of the "smart card," a credit card containing a computer chip.

The card's backers, the postal authority and the GIE Carte à Mémoire, a consortium of French banks now regrouped as the GIE Carte Bancaire, hoped to discover if the cards "would work in the hands of the public," said André Michand, who directed the experiment for the GIE Carte à Mémoire. At the same time, the card used at Blois, manufactured by Bull Group, would be compared with different cards made by Phillips and Flonic-Schlumberger, under test at Caen, in Normandy, and Lyon. Blois won the first step of the race. The card used there, the Bull model CP8, was selected as the national standard by the GIE Carte Bancaire in July 1984.

"The experiment at Blois was absolutely a success," said Jean-Louis Marchand, a member of the post office's smart-card team. "It showed that the techniques and equipment for a national system, and our ability to provide them, are in place. And we settled on the mixed card. The mixed card combines the magnetic stripe of a common credit card with a computer chip on the card's opposite face. It can be used with current electronic money

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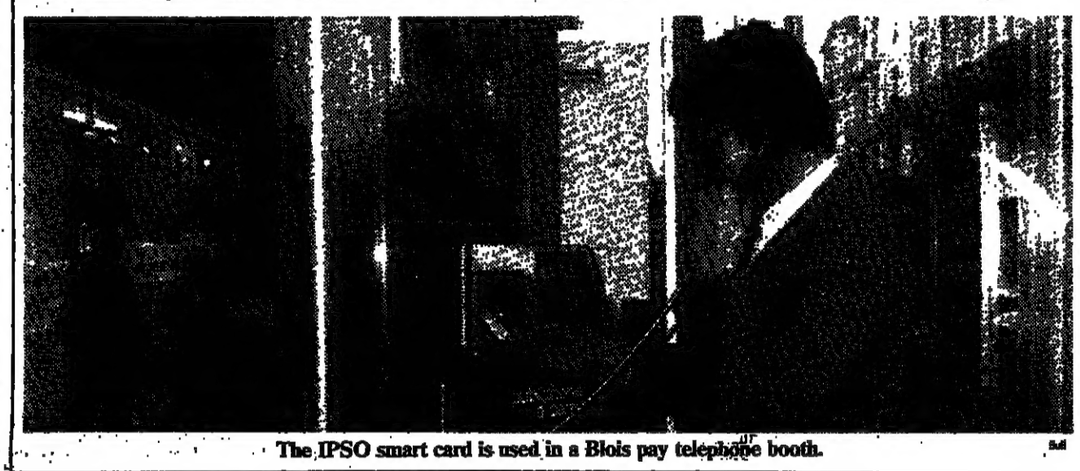

The IPSO smart card is used in a Blois pay telephone booth.

Why One Money Card Must Outstrip the Rest

By Nancy L. Ross

WASHINGTON — The "smart card" — plastic money embedded with a microprocessor — is scheduled to make its American debut this summer in pilot programs initiated by MasterCard International. The test will help to determine ultimately not only whether the card with the silicon chip can be a winner in the United States, but also which country's technology will set the rules for the rest of the players in the global arena of electronic funds transfer.

In Columbia, Maryland, outside Washington, 50,000 program participants will receive plastic cards made by the French computer group Bull and marketed by its Dallas subsidiary, Micro Card Technologies Inc. In Palm Beach, Florida, a similar number of subjects will receive cards provided by Casio Microcard Corp. of Japan. Customers will be able to use the cards to pay for goods and services at selected retail locations.

Both types of cards have encoded chips that have a customer's password or secret number built in. In this way they permit cheap, quick verification of the holder's identity on the spot without the information having to be transmitted electronically to a centralized computer. Since the card has its own intelligence, it has been dubbed the *carte à mémoire* in French and the "smart card" in English. The chips also have the capability of storing other means of identification such as the user's signature or fingerprint, as well as up to 200 transactions. However, the Japanese card contains two chips; the French version, one. Moreover, they are placed in different locations on the card.

Experts agree that standardization is essential if the as yet expensive and experimental technology is to succeed as a truly international payment mechanism. "We can't have a European card that will be used in Europe, a Japanese one for Japan and an American card for the United States," Russell Hogg, president of MasterCard, said in Paris a few months ago.

The Japanese appear to have an edge at this point over the French, who invented the smart card. Last month, a New York working group of the International Standards Organization voted, 4 to 2, in favor of the Japanese version while permitting the French version on an interim basis. Some years ago, the same group voted against the Japanese practice of putting the magnetic stripe on the front of their credit cards because it interferred with the printed information such as the bank's logo.

Another hurdle is reconciliation of the clearing-house function. Differing national laws governing such things as receipts, disclosure and currency exchange pose substantial challenges for software developers.

The development of electronic funds transfer has occurred primarily within national borders. Not only does technology differ, but also delivery systems, marketing, existing alternatives, culture and commitment by government or private industry. The result is a checkerboard, with some European countries highly advanced and their neighbors showing minimal interest. Or, a country will have made outstanding progress in one aspect of electronic transfers, but ignored others.

For example, France is the European leader in all facets of electronic transfers, whereas West Germany has shown little interest to date. Japan has wall-to-wall automated teller machines yet no debit cards. There is a lack of activity in Latin America.

How soon will there be a truly international electronic payment system?

Colin Reeve is vice president for interactive services and international systems for American Express Travel Related Services, a company whose green card has become the symbol of universally accepted credit. As such, he is more sanguine than most about internationalization, predicting that within three years consumers will have the ability to draw cash from machines in all developed countries.

Last spring, Mr. Reeve conducted a survey of electronic fund transfer systems in 16 countries for American Express. He counted automated teller machines, point-of-sale terminals and debit cards worldwide. And just last month, statistics from the central banks of 11 developed countries were published by the Bank Administration Institute, with headquarters outside Chicago. Another survey has been regularly conducted by Spencer Nilson, publisher of a credit card newsletter in Los Angeles.

The figures differ, sometimes substantially, according to the definition of machines and functions used by the survey organizers. For example, American Express lists 60,000 point-of-sale terminals in the United States, while the central banks, which define point-of-sale as the electronic direct debiting of the customer's account, list 800. So what follows are general conclusions drawn from these sources.

On a per-capita basis, Japan has the largest number of automated teller machines, followed by the United States, Britain and France. Hong Kong has the most per acre. The teller machines dispense cash and, in some countries, also trans-

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A SPECIAL REPORT ON ELECTRONIC BANKING

The New Banks: Self-Service Is All the Way

(Continued From Previous Page)

"friendlier" generation of hardware. An Omron automated teller machine, introduced last year in the United States and currently being re-engineered for European markets, lights up at a customer's approach, can help a customer through his transaction with voice prompts and animated graphics, and can print an interim statement.

The market shows increasing variety as first-generation automated teller machines, some a decade old, are replaced. There are bigger buttons, simple "1-2-3" instructions, drive-up units and "designer" models, like ATM Techonology's slim unit. International Business Machines introduced a check-cashing machine that gives exact change. SCI Systems unveiled a four-sided, touch-sensitive, coin-dispensing device for busy lobbies. And other vendors, like Burroughs, have driven the cost of cash dispensers below $15,000, while increasing transaction speed and ease of servicing.

But even innovative automated teller machines are old news compared with other self-service terminals. Software Alliance is negotiating a multinational contract for its touch-sensitive lobby terminal, programmable to open accounts, order checks, model loans and mortgages, and pre-qualify the customer. Since the system cannot actually sign the papers, it includes monitors for sales staff.

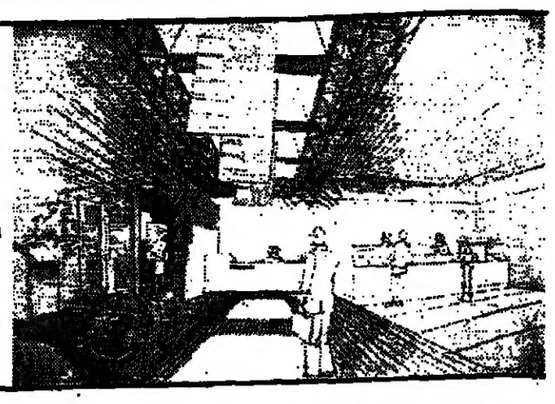
Not all vendors are banking on the avant-garde. Terminals that look reassuringly like automated teller machines now rap out interim statements with high-speed printers. Some lobby units do nothing but provide a training tool to introduce customers to electronic banking.

As technology minimizes routine work, branch employees are committed to the sale of bank services. Here again, automation is changing the way banks deal with customers. Work stations and personal computers in branches provide not only an efficient means of documentation and bank servicing but a powerful selling tool.

Bankers' complaints about lack of software indicate that marketing programs for staff work stations may be one of the growth areas of the next few years. Financial planning programs are particularly interesting today, because planning can be sold as a separate service, yet it provides a base for selling other products.

Bank of America is testing planning programs in selected branches. Keyed to goals like retirement security or children's college education, the programs indicate the levels and types of investment needed, said Bruce Mapes, a Bank of America vice president.

The trend toward terminal-based service puts heavy demands on "backroom" support systems. Behind all the terminals in banks, on street corners and those linked to home banking and cash management services are huge information requirements. Retail-account balances, corporate position reports, interest rates on credit and investment products, marketing programs that "model" payback schedules and returns, investment market information — the list grows with the ability of marketers to integrate information with service to produce fees.



Architect's drawing of the automated bank branch that will open in October in a suburb of Columbus, Ohio.

"Banks used to give information away," said Donald G. Long, IBM senior banking consultant. "In the future, information will become banking's most important product."

The personal and global networks mentioned in the Touche Ross International report depend on the assumption that information files, even within a single bank, can be crossed-linked. However, assimilating the names and numbers of various types of account relationships into a core file can mean years of work and millions of dollars, depending on the size of the institution.

Off-the-shelf "integrated software" products have become more numerous and more inclusive. Companies like Hogan, Logica, ACI and Anacomp have been working to complete these systems. The sheer bulk of the task recently caused Anacomp to set aside its project. Keven Scully, vice president of Logica's American subsidiary, described the development of a centralized data bank for a Swiss bank as "the work of years, an astronomical commitment."

Marketing programs for staff work stations may be one of the growth areas of the next few years.

Many major banks, whose various accounting programs were often devised independently of each other 10 years ago or more, have not yet committed themselves to system integration. "The main problem is that we have huge systems built for efficiency, five million transactions a night. If you want to cross-cut, you have to invert the system," said Bart Bakker, innovation manager at Rabobank Nederland. "No one wants to throw away what they have, or build anew. So you have to build an auxiliary system."

"Auxiliary systems" built on microcomputers satisfy many problems of information access. The old systems "built for efficiency" are usually batch-processed, running masses of accumulated data through the mainframe at a designated time for each application. In contrast, consumer-oriented systems demand instantaneous information and completion. For these purposes, mini-computers can collect the latest account information from the mainframe and store "memos" about consumer transactions until the mainframe processes them.

Fault-tolerant computers are taking a growing market share for these on-line transaction systems. Pioneered by Tandem Computers more than 10 years ago, they are engineered with paired components to keep one side running if the other fails. Tandem gained in the banking industry for reliability in automated teller machines and other fund-transfer networks and, more recently, it has been sold as a mainframe to support integrated software in banks in several countries.

This year, fault tolerance was adopted by two giants in bank automation systems. After years of arguing that fault tolerance was no better than its own solution of backed-up standard processors, IBM signed a remarketing agreement with Stratus Computers, a four-year-old firm with a fault-tolerant design that was claimed to maintain processing capacity better than Tandem's. In addition, Nixdorf Computer, the leading European vendor of bank systems, introduced a product based on fault-tolerant hardware from Auragen System Corp.

The final element in the information and transaction networks is the communications systems to move the data. NCR is developing a showpiece system for Fellesdata, the giant Norwegian service bureau. An extended hub-and-satellite configuration links the host to the branches, each branch to the point-of-sale terminals of its customers. Security systems are built into the network, which will support electronic mail, archive and retrieval functions and a totally integrated system of intelligent terminals.

In England, Midland Bank is linking 1,700 branches with Midnet, primarily based on Nixdorf equipment. In addition to "opening a lot of new horizons in connecting points within the bank," according to Edward Newman, assistant manager of Midnet, the network links Midland subsidiary Thomas Cook travel agencies to other travel-oriented data bases. As a result, the system can be sold to other travel firms as a value-added network.

But the prime example of the "global network" that places the delivery service "in the customers' hands" may be the worldwide MicroStar network built by Bank of America for multinational cash management business. Linking compatible mainframes around the world, MicroStar provides multibank position reports, credit and investment information, and transaction power to terminals on the desks of corporate cash managers on five continents.

In summing up the "third phase," Colin Klipen, vice president of Treasury Management Services, said, "We're moving functionally out of the backroom into the customer's office. They have control of the data. We also move costs to the customer, so it's beneficial for both of us."

Home Banking: Question Is When, Not If

By Amiel Kornel

NOTTINGHAM, England — In September 1983, a small regional bank in Nottingham attracted international attention by launching the first electronic home-banking service in Britain. But almost two years later, British home banking is barely off the ground.

While expressing optimism about the long-term prospects of such systems, bankers and analysts interviewed recently anticipate a slow growth for what was once considered one of the most promising facilities of the so-called electronic cottage.

Home banking in Britain is "very embryonic", said Karol Szlichcinski, senior consultant at Butler Cox & Partners Ltd., an international management consultancy in London. "We're not talking about very many users."

Three banks are currently involved with home banking in Britain. The Nottingham Building Society and the Bank of Scotland each offer an electronic home service to their customers. And Midland Bank, one of England's largest, is running a pilot trial.

The banks are reluctant to talk about the results of their experience. This reticence has generally led to pessimistic speculation about the systems' success. The tales that they and others tell suggest that the time is not yet right for home banking.

"For a very long time it will only appeal to specific market segments," said Mr. Szlichcinski. "In the U.K., a high proportion of people don't even have bank accounts."

"In my mind," said David Bayliss, manager of electronic banking at Midland Bank, "there is no question that home banking is a service that will be required in the future." But he added: "The problem is that we're not quite sure that there is a market now, nor how big it is."

Developments in computing and telecommunications technologies since the 1970s enabled the wiring of homes and businesses for the reception of electronic information.

The growing enthusiasm for personal computers and the electronic delivery of information encouraged the development of systems for piping electronic financial services direct into the home via the telephone. Bank executives hoped to decrease personnel and building costs by persuading customers to conduct their financial business from home.

In Europe, efforts by national telecommunications authorities to promote use of their networks spurred the development of videotex systems that link computers and terminals over the telephone line. The terminal is often no more than a television set hooked up to a decoder and keyboard.

Growth of the Prestel videotex system in Britain, Teletel in France, and Bildschirmtext in West Germany has been accompanied by the development of electronic home banking. The first such service in Europe was offered by the Hamburg-based Verbraucher Bank. Crédit Commercial de France and Crédit Lyonnais have piggybacked their services on the growing Teletel network.

In the United States, the development of home banking has been tied to personal-computer use. Chemical Bank and Chase Manhattan offer home banking to several thousand customers.

Yet, many analysts and bankers are not optimistic about the prospects for rapid growth of home banking. "The proportion of households using such systems in the short term will be very small," said Mr. Szlichcinski. "I think that things will take a long time to catch on."

Consumer demand will be slow to develop, predicted Mr. Bayliss. "The question is not if it will become a service of the future, but how quickly," he said. "It will not be profitable in terms of the number of customers before 1990."

"Home banking is not as immediate as some people are suggesting," said Alwyn James, spokesman for the Royal Bank of Scotland in Edinburgh. "There will be some time before the public accepts it as an alternative to branch banking."

The current systems offer such services as account statements, balance inquiries, transfer of funds between accounts, payment of standing bills and messaging between the customer and the bank.

They also include assorted "frills" to make the package more attractive. Games, auctions and classified advertising are available on the Nottingham service. A stock-brokering facility will be launched at the end of June.

Many banks do not sense an urgency for offering such electronic services directly to the home. "We see no benefit from being at the front of this particular movement," said Mr. James.

"In terms of home banking in Europe," warned Michael Gallagher, manager of electronic banking at Chase Manhattan in London, "it might still be a little early to be aggressive."

Britain's building societies are regional banks that offer financial services similar to those available at savings and loan institutions in the United States. They have few branch offices and often have been slow to introduce modern technology.

After deferring computerization for several years, the Nottingham Building Society leapfrogged its competitors in September 1983 by offering a home-banking service called Homelink.

It is difficult to gauge the system's success. A sign in the bank's lobby urges customers to subscribe to Homelink rather than wait for service at the counter. But judging from the size of the crowds lined up on a recent afternoon, the message is not getting across.

The bank's executives refuse to divulge figures on system use. Although they say there are "several thousand" Homelink customers, they minimize the importance of having a large number of subscribers. "Being the size that we are," said Stuart Brandreth, deputy manager, "we don't have to be as successful in the numbers game as, say, Barclays."

Experts disagree. "With most electronic services," said Mr. Szlichcinski, "volume is very important... There are high fixed costs to provide these services."

Nottingham spent about £4 million ($5.2 million) to develop Homelink, according to Mr. Brandreth. Company records suggest that more than £1 million was spent between 1982 and 1984 on computer equipment for the system. British Telecom, the privatized national telecommunications authority, and the Bank of Scotland also participated in development of the project.

In return for the investment, officials hope that the system will extend the bank's reach to other parts of Britain. "Our prize is that it's turning a regional organization into a national organization," said Mr. Brandreth. "It's a cheaper way to get more customers than by opening a branch bank."

John Copp-van Hasselt

A French couple checks banking transactions at home.

Why One Money Card Must Outstrip the Rest

(Continued From Previous Page)

fer funds and answer balance inquiries. Although the United States has more point-of-sale terminals, France leads based on population. A terminal, located in a store or gas station, is connected electronically to a network. It captures and sometimes transmits payment data electronically. Its chief functions are credit authorization and identification verification.

However, if point-of-sale is defined as direct debit, France is the uncontested leader. This system means speedy payment for the merchant, who gets immediate access to a buyer's bank account or credit line.

In an interview, Mr. Reeve supplied his theories behind the numbers in his company's survey. The old and new in Japan account for that country's love of teller machines: expertise in high technology and traditional culture. Japanese like to have enough money for any situation as they do not like to lose face, Mr. Reeve said. So they will take money out of a teller machine in the morning and put it back at night if unspent.

The teller machines, which developed slowly at first in the United States, caught on when banks found they were an artful dodge around restrictions against interstate banking. Soon they became almost a necessity in the highly competitive environment of American banking.

Unlike the United States, with its 14,000 banks, Britain and France have but a relative handful of banks so the teller machines were seen as a logical way of expanding offices without the cost of bricks and mortar, and lengthening hours without the expense of overtime.

Among those listed by American Express as "undeveloped" with regard to teller machines are such countries as Malaysia, the Netherlands, West Germany, Italy and Mexico. Mr. Reeve suggested that the small size of the Netherlands puts the Dutch within easy reach of banks. West Germany, on the other hand, pioneered the Eurocheque — paper guaranteed for small amounts that is cashable anywhere — so has scant need for cash machines. As for Italy, he cites as deterrents the fear of muggings and frequent changes of government that preclude a firm national policy of funds-transfer development, such as France enjoys.

Other factors are the effect of cold weather on machines in northern climes and a high incidence of vandalism, especially the use of super glue to seal drawers.

According to American Express, whereas the compound annual growth rate of teller-machine installations over a three-year period to 1986 will be 27 percent, point-of-sale terminals will grow by 62 percent.

In French homes there are 350,000 Minitels, or small video screens linked to information sources, that enable viewers to get telephone numbers or their bank balances.

American merchants, with the exception of service stations, remain unconvinced of the utility of debit cards, given the start-up costs involved for hardware. There are about 1,100 direct debit terminals in the United States, according to Bank Network News. Home banking and videotex are in embryonic stages, with approximately 38,000 users. Recently, a joint venture was announced that will offer subscribers computerized banking, discount stock brokerage and merchandise shopping. At this juncture it is impossible to tell if or when these services will become popular and profitable.

Spain, Mr. Reeve noted, got into the game fairly late, but he expects the number of point-of-sale terminals to accelerate, pushed by the government postal service. Again, because of the postal service, he also expects a lot of progress in Sweden in the next two years. However, he added that Sweden was a difficult country in which to do business because merchants there resist accepting credit cards, objecting to discounted payments.

Around the world, the Asian financial capital of Hong Kong shows a high density of teller machines and point-of-sale terminals, but no debit cards. Mr. Reeve offers a cultural explanation for this. Chinese love to haggle over prices, and cash payments lead to higher discounts than plastic cards, which create a record.

How Smart Card Earned Credentials in a French City

(Continued From Previous Page)

distributors and point-of-sale terminals, as well as with the new equipment designed to accept smart cards.

At Blois, this equipment included 10 public telephones and 1,000 Minitel home video terminals with card "readers," which, as of June, provide full home banking services to users. In September, local hospitals will issue smart cards containing medical histories of expectant mothers and newborns in the chips' memories.

But the Blois test showed that human factors, especially among merchants and consumers, will play as large a role as technology in the smart cards' future. At the start of the experiment, 160 local merchants installed readers of smart cards provided by local banks in their stores. Five thousand selected bank clients were issued "IPSO" cards, which carried a chip but no magnetic stripe. These cards were supplanted by mixed cards given to all Carte Bleue and Visa holders beginning in May 1984, and the number in circulation rose to 15,000 at the end of that year.

Dominique François, a postal official who coordinated the experiment in Blois, said a post office study had shown in advance that the IPSO cards would be underutilized, because consumers "had fear of the technology, and of a card that would replace checks." About 10 percent of IPSO cardholders used their cards one or more times per month, Mr. Michaud said.

Consumers believed that purchases made with the IPSO card would be debited immediately from their accounts, despite a note on a promotional flyer sent to them by the banks that the "float" on purchases would be "comparable to those of checks."

The banks inadvertently added to this confusion. "When we put out the IPSO card, we used the term 'electronic checking,'" said Guy Rousselle, client relations manager for the Société Générale of Blois. "And people said, 'We don't want to complicate our lives.'"

The misconception stuck to the mixed card. "With the smart card, the money is taken out of your account immediately," said Pascal Di Lauro, a Carte Bleue holder interviewed in a Blois shopping mall. In fact, however, the new mixed Carte Bleue cards are billed exactly like the old ones.

Unlike a magnetic card, the IPSO card could not be used for over-the-counter purchases without a personal four-digit validating code. If an incorrect number is used three times in succession, the card is automatically blocked. The Carte Bleue mixed card's smart side has the same feature. This trait of the card also inhibited consumers.

"People are prudent in their use of the card, because they forget their code," said Jean-Marie Fermé, a participating merchant. "Often, we propose that they use the card, and they say no."

For other users of the smart card, however, this built-in security is an attraction. Dany Prieur, strolling in the mall with his wife and baby, commented that his smart card "is much safer than checks." He said, "If you lose your checkbook, you're in trouble. Merchants are more likely to take the card than a check."

"All of us, banks and merchants, are agreed on one point: The smart card is a guarantee of payment, compared to a check or ordinary card," said Jacques Couppé, a participating merchant and vice president of the Blois Union of Merchants and Artisans. The consumer is responsible for payment, as proprietor of his personal code.

But a sharp point of difference remains between the merchants and local banks. Each payment on a smart-card terminal carries a bank charge of 0.6 to 1.6 percent, depending on the number of transactions per day, with fewer transactions costing the merchant more. "We're giving a service to the banks," he said. "Thanks to us, they have fewer checks to handle . . . the card should be free to us."

Gérard Pujo, asistant director of the Crédit Lyonnais of Blois, conceded that "the goal is to suppress checks, in the long term." Each check costs the writer's bank 3 to 5 francs in handling.

But Mr. Pujo added: "This is a very French argument. We give the merchants the equipment and a guarantee of payment; for that, we take a payment, and it's less than for Carte Bleue." The charge on a Carte Bleue payment is 2.5 percent.

This conflict between bankers and merchants "is the principal problem for generalization" of the smart card system, said Dominique Dran, a member of the smart card group at the national Agence de l'Informatique.

Mr. Michaud said, "Negotiations on this card are continuing between banks and merchants; the points will be settled between individual banks and their clients, depending on the services offered."

Meanwhile, the smart card is winning converts in Blois. "The bank gave me my IPSO card — I didn't ask for it," said Robert Selva, a local realtor. "I use it often; it's easier than writing a check. Before long I'll have a Minitel for home banking."

"For the moment, the experiment is only in Blois," Mr. Selva said, "but soon I'll be able to use the card around France."

It is estimated that 10 million smart cards will be distributed in France by 1990. Generalization of the system is expected to begin in October, Mr. Michaud said.

A SPECIAL REPORT ON ELECTRONIC BANKING

What Banks Can Do To Guard Against Electronic Fraud

By Patricia A. Murphy

WASHINGTON — With electronic technologies reshaping the way the business of banking is being conducted around the world, bankers and industry observers alike are looking closely at the protection of electronic transactions from fraud.

A Bank of America executive vice president, Max Hopper, labels electronic banking fraud "one of my greatest fears," particularly the potential for fraud on electronic systems that handle small dollar consumer transactions.

"There is limited attention being focused on security in this high-volume area," Mr. Hopper, who oversees technology applications at Bank of America, told an international gathering of bankers in Washington. "We sometimes forget that our major product is trust."

The need to secure electronic banking systems against fraud is not a new idea. "It has been on the minds of everybody since the eve of EFT [electronic fund transfers], but practically nobody has done anything about it," according to George Warfel, an electronic security expert based in Menlo Park, California. For example, Mr. Warfel said, "A very small percentage of the interconnecting lines of interconnecting networks are protected by encryption."

Encryption entails the scrambling of data so that it cannot easily be tampered with while traveling across high-speed communications lines. In the United States, where encryption is considered a norm, reportedly only a third of all on-line automated teller machine networks use encryption.

This bodes ill for security-conscious bankers like Mr. Hopper, who says his bank will not link into any teller machine network that does not use encryption security measures.

Unlike small dollar consumer-oriented networks, vitually every large dollar interbank electronic funds transfer network in the world is protected by encryption, as well as other security techniques. Of course, that is not to suggest that such large dollar networks are free of the risks of fraud. However, there are far fewer reported incidents.

One way of overcoming the risks of transactions flowing unprotected across electronic networks, Mr. Warfel and others believe, is through the use of "smart cards." A plastic card with a computer chip embedded in it, the smart card has the capability of encrypting data (such as personal identification numbers) before it is even sent across telecommunications lines.

The smart card has been widely tested in France, where it was first invented more than 10 years ago. And the French are busy putting in place a national electronic network based on smart-card technologies.

"Our feeling is: Where is the need to have a high-security measure on the network if you have a high-security card," said Christian Loviton, chairman of Group Facem, a Paris firm that specializes in electronic banking and shopping services. "The card is the first level of security that we want to upgrade."

Mr. Warfel points to France as the nation where the most attention is being paid to electronic banking security.

Mr. Loviton agrees. "France is the first country in the world to have a national [electronic fund transfer] system, so we have to take care of the security," he said.

Aside from encrypting data, Mr. Loviton noted, the smart card also can track transaction patterns, and, when a consumer's shopping pattern undergoes a sudden change, can alert a merchant to the possibility that the card being used might be stolen.

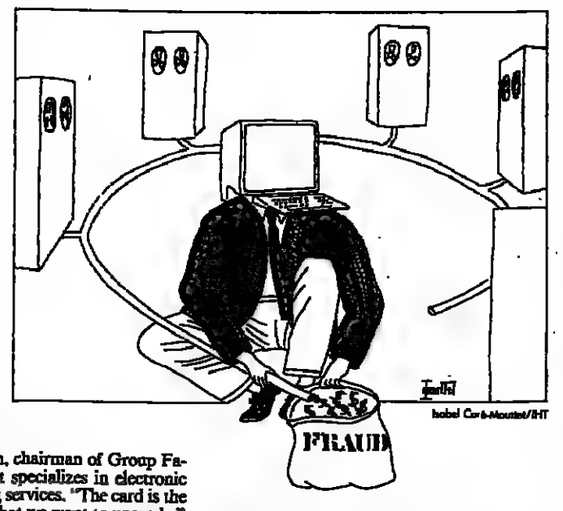
Both the major international bank card organizations are dabbling in smart card technologies. MasterCard International will be testing about 100,000 smart cards in the United States this month. About half of those cards will be supplied by Bull Group, the French firm that supplies most of the world's smart cards; the other half will be supplied by Casio Microcard Corp., the American subsidiary of Casio Corp. of Tokyo, and a relatively recent entrant into the smart card marketplace.

Meanwhile, Visa International's French affiliate, Carte Bleue, has been testing smart cards throughout France for more than two years.

Because the smart card technology currently relies on personal identification numbers, which easily can be discovered or revealed, they are not yet considered fool-proof.

"I don't want to say [smart cards offer] the best security, but it's the best security for the moment," Mr. Loviton says.

Looking ahead, security experts see biometrics providing the best method of protecting consumer electronic transactions. Biometrics involves the identification of a card user through biological features that are determined at birth and cannot be changed, such as voice tones, eyeball patterns and signature dynamics.



Isabel Cardo-Mountel/IHT

"Adequately recorded, biometrics are as near fool-proof as we are going to get in this century," Mr. Warfel observes.

According to Mr. Loviton, the "dynamics" of a consumer's signature (the pressure and speed, for example) can easily be stored in the chip of a smart card. Then, each time a cardholder initiates a transaction, they simply sign their name on a special "pad," which records the dynamics of the signature being penned and compares those features against the data already stored in the chip.

"The signature will be for one time, and will be stored in the chip of the card," Mr. Loviton said.

Mr. Loviton expects market testing of smart cards storing signature information to begin within the next few months.

With more than 150 automated teller machine cards and several million point-of-sale debit cards circulating throughout the world, the consumer is considered the key to protecting electronic banking systems. Yet, consumers are also seen as being rather lax about protecting their personal identification numbers.

A report recently released by the U.S. Department of Justice points to the need for going beyond personal identification numbers in protecting debit cards. The report, "Electronic Fund Transfer Fraud," which describes the findings of the U.S. government's first attempt at examining teller-machine fraud, suggests that most consumers (about three-quarters of those queried) record and keep identification numbers on or near their debit cards. Only about 15 percent of the teller-machine frauds studied by the department involved consumers who had not written or stored their numbers someplace. This led officials to conclude that "a significant amount" of teller-machine fraud might be eliminated if cardholders memorized or were more careful about concealing their numbers.

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Automated Clearing Houses Assure Payments

LONDON — Ever since King Hammurabi, founder of the Babylonian Empire, established a code of standards for banking practice in the 18th century B.C., officials have sought to assure an orderly system of payments.

The rapid growth of electronic money over the last decade, due to a proliferation of data-processing and telecommunications technologies, has lent new urgency to the need for reliable and universal means of funds transfer.

The increasingly large volumes of electronic money being moved among financial institutions worldwide have necessitated the creation of automated settlement and clearing organizations. Called the "unsung success story of electronic funds transfer" by one banking expert, the automated clearing house is essential to the smooth functioning of national and international banking.

Through the systems, bulk and high-value payments can be made rapidly and securely throughout the world. In 1983, the clearings in England and Wales alone totaled over 3.3 billion transactions.

The art of electronically clearing large volumes of funds between banks has reached a new level of sophistication in Britain during the last year. The creation of a technologically advanced national system, CHAPS, and a massive review of all British payment-clearing systems has made London the focus of attention in developments of interbank money transfer.

"Other countries' payment-clearing systems also need reform," said Denis Child, a director and deputy group chief executive of National Westminster Bank, at a recent international symposium on banking and payment services in Washington. "The ideas contained in our study and our conclusions may provide a very useful starting point for others." Mr. Child chaired the commission that reviewed the British clearing system in 1984.

In an effort to satisfy criticisms alleging secrecy and a lack of consultation by the clearing banks, the wide-ranging review was ordered by the 10 members of the Bankers' Clearing House. The report, published last December, urged a major restructuring of the organization, membership and control of Britain's payment-clearing systems.

According to the report, the Association for Payment Clearing Services, an umbrella organization, would oversee development of the clearing system. Three operating companies would handle Britain's paper and electronic clearings. Membership criteria in the companies were defined to permit participation by more financial institutions while maintaining the integrity and efficiency of the system.

Delicate consultations concerning implementation of the proposals are currently in progress. Observers close to the talks expect them to conclude by the end of the year.

Although the Child report's proposals should not affect day-to-day operations of the clearing systems, they will have a major impact on organizational structure. Consequently, they should exert considerable influence on future developments, as well as on the financial community's confidence in the systems.

CHAPS, the Clearing House Automated Payment System, permits same-day authenticated payments between banks and other financial institutions in pounds. It is the symbol and manifestation of British bankers' desire to make London the world's leading financial center. Bankers were motivated to act quickly by the growing success of New York's Clearing House Interbank Payment System, CHIPS.

CHIPS is a same-day settlement service for interbank dollar payments. It is used by American banks as well as the New York branches of many foreign banks. It is owned by 12 leading New York banks and has 86 members. The system processes about 90 percent of all U.S. dollar-denominated international transactions.

After scrapping a first version that was based on the centralized processing approach used in CHIPS, the London bankers developed CHAPS II, a technically ambitious system that links settlement banks over British Telecom's packet-switching network. The system came into operation on in February 1984.

Many banks boycotted the system initially due to skepticism over its technical ambitions and dissatisfaction over the difficulty of becoming a clearer.

But the Child report and the technical success of the system has helped dispel those concerns. There will be a "dramatic increase" in participation as implementation of the report proceeds, predicted John Chappenden, manager of the CHAPS team at Midland Bank.

Both CHIPS and CHAPS are national versions of the international network of the Society for Worldwide Interbank Financial Telecommunications, SWIFT. The SWIFT network serves to process and transmit payment and other financial-transaction instructions internationally. Formed in May 1973 by 239 European and North American banks, SWIFT membership now encompasses more than 1,000 banks in over 50 countries. The network has played a key role in the modernization of international banking.

"SWIFT has pushed the need for the local clearing systems," said one U.S. banker. Banks are receiving enormous amounts of messaging from the network, he said. Developing national systems is the only way to keep up.

A technical upgrade of the network, SWIFT II, is planned to progressively replace the present system by 1987. Similar to the London CHAPS II system, it will apply a decentralized design to transaction processing.

These will not be the last of the improvements required in electronic payment clearing systems. "However good our current arrangements are or might be," said Mr. Child, "the world does not stand still. Technological and other innovation will be constantly needed in all the main areas of payment systems activity."

— AMIEL KORNEL

Automated Payments: Opportunities Abound

By William R. Moroney

WASHINGTON — New automated payments services are bursting on the marketplace in most of the world's developed nations at an extraordinary pace.

While different types of electronic fund transfer systems are used in different countries, they are all variations on a common theme — new technologies have become a multi-industry tool that will be increasingly used to provide consumers and business with a broad range of financial services.

These technological innovations will be used by the provider to automate and streamline the delivery of financial services and by the user to gain greater control over and benefit from these services.

The new developments in services for individual consumers include automated teller machine networks, point-of-sale payment services in stores and videotex-based home banking.

These consumer services hold more promise for business than just the obvious benefit of increased financial convenience for the businessman. They are a foundation for the creation of new types of partnerships between banks and other financial-service providers. And they are the infrastructure through which these new partnerships will jointly market and profit from the next generation of financial services.

Two examples from the United States are the evolution of automated-teller networks into value-added point-of-sale systems and the reorientation of videotex financial services toward the business customer.

The United States has more than 50,000 automated tellers and each day more are linked to shared networks. As these regional and national networks grow, a system is created for the delivery of point-of-sale services to a wide variety of retailers. Eventually, consumers will use their debit cards as frequently at retail locations to directly access their asset accounts as they now do at automated-teller locations.

This added convenience for the consumer will mean improved financial service for business participants as well. As point-of-sale systems evolve, many options are possible for the participating retailer, including the following:

- Cash becomes a commodity that can be bought and sold just like razor blades or gasoline. Cash needs are better controlled, reducing most retailers' largest nonproductive asset, in-store cash.
- Customer payment float is reduced, increasing retailer access to and earnings opportunities from sales income.
- Fraud losses are reduced through improved authorization systems that will be a part of the electronic networks.
- Fund-transfer/point-of-sale systems may eventually compete by offering the business customer value-added services.

A major issue in this development is the question of who pays and how much. The fees that providers of electronic fund transfers charge each other is an issue that is being decided by the free market, and the key appears to be financial investment in the system.

William R. Moroney is president and chief executive officer of the Electronic Funds Transfer Association.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
SDieGs	18389	28	27¾	28	— ⅛
CocaCl	17202	69⅝	68½	68⅝	—1¼
PacGE	14511	20	19¾	19⅞	— ⅛
UAL	13843	58¼	53	58⅛	+3⅞
DetEd	13237	17⅝	17⅜	17⅝	
Litton	12005	86⅝	85⅝	86⅝	+ ⅛
GtWst	11563	42	40⅞	40⅞	— ¼
NtSemi	10374	11¾	11⅛	11⅝	+ ⅜
Sperry	10243	56⅜	53⅝	55	+ ⅛
NabscB	10228	81⅝	81½	81½	
MasyF	9321	2⅛	1⅞	1⅞	— ¼
AlloPw	9025	34⅛	33⅞	34	— ⅛
IBM	8629	127⅞	126⅞	127⅝	+ ⅛
Mobil	7915	30⅛	29¾	30	— ⅛
Exxon	7745	51⅝	50⅝	51½	+1⅛

Dow Jones Bond Averages

	Prev. Close	Today Noon
Bonds	80.21	80.07
Utilities	78.16	77.70
Industrials	82.26	82.45

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	1314.29	1322.58	1307.24	1318.44	+ 2.02
Trans	652.04	658.82	643.14	653.79	+ 0.34
Util	163.42	164.60	162.39	163.67	— 0.21
Comp	542.89	547.00	538.48	544.40	+ 0.37

NYSE Diaries

	Close	Prev.
Advanced	650	606
Declined	722	983
Unchanged	459	441
Total Issues	2031	2030
New Highs	100	171
New Lows	20	15

NYSE Index

	High	Previous Low	Close	Today 3 P.M.
Composite	110.74	109.92	109.97	109.47
Industrials	125.42	124.69	124.75	124.48
Transp.	106.78	105.87	105.96	105.70
Utilities	59.62	59.48	59.54	59.25
Finance	119.64	119.16	119.20	118.69

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
June 7	281,231	495,307	1,326
June 6	208,507	512,142	2,180
June 5	240,904	538,257	3,221
June 4	199,611	502,368	2,047
June 3	203,299	549,590	3,450

*Included in the sales figures

Monday's NYSE Closing

Vol. at 3 P.M. 73,128,000
Prev. 3 P.M. vol. 85,190,000
Prev consolidated close 121,835,550

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

AMEX Diaries

	Close	Prev.
Advanced	288	211
Declined	333	318
Unchanged	250	257
Total Issues	791	786
New Highs	22	37
New Lows	13	9

Standard & Poor's Index

	High	Previous Low	Close	Today 3 P.M.
Industrials	211.38	209.24	209.79	209.82
Transp.	170.32	167.47	167.42	167.05
Utilities	87.31	86.85	86.96	86.72
Finance	23.42	23.25	23.27	23.14
Composite	191.29	189.55	189.68	189.22

NASDAQ Index

	Week Close	Year Noon	Ago	Ago
Composite	291.83	290.40	290.80	287.46
Industrials	301.59	300.57	302.72	299.58
Finance	344.39	—	361.96	354.55
Insurance	344.24	—	342.59	345.00
Utilities	279.47	—	281.49	277.05
Banks	274.47	—	276.52	270.61
Transp.	249.33	—	241.84	240.61

AMEX Sales

3 P.M. volume 4,860,000
Prev. 3 P.M. volume 6,550,000
Prev. cons. volume 9,705,000

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
WangB	7853	16⅜	16	16⅛	+ ⅛
BAT In	2734	4⅛	4⅛	4⅛	
DataPd	2424	11⅞	11⅝	11⅞	+ ⅛
DomeP	1869	2⅛	2⅛	2⅛	— ⅛
WDigitl	1820	12⅞	12⅝	12⅞	
LynCSy	1196	27⅛	23⅝	24⅛	—3⅛
Amdahl	1192	12⅞	12⅝	12⅝	— ⅛
Resrt A	1141	42⅞	42½	42⅝	— ⅜
GiantF s	939	27⅛	26½	26⅞	+ ⅛
viCaorA	901	12⅞	12⅝	12⅝	
Alscoin	769	12⅛	12⅛	12⅛	— ⅛
NYTime	715	48⅛	47⅜	47⅜	— ⅜
AM Intl	626	4⅛	4⅛	4⅛	— ⅛
EnvPh	597	9½	9⅛	9⅛	— ⅛
Presid	597	3⅞	3⅝	3⅞	+ ⅛

AMEX Stock Index

High	Previous Low	Close	Today 3 P.M.
229.34	227.59	228.14	228.91

Trading Is Light on the NYSE

United Press International

NEW YORK — The stock market was lower late Monday in light trading that analysts said was a reaction to last week's unexpected U.S. economic figures.

The Dow Jones industrial average was off 0.22 to 1,316.19 at an hour before the close. Declines led advances by a 3-2 ratio among the 1,963 issues traded.

Five-hour Big Board volume amounted to about 73,571,800 shares, compared with 85,190,000 in the same period Friday.

"The market is still reacting to the surprise it had Friday in the employment increase," said Monte Gordon, research director at Dreyfus Corp. "The increase tripped up the bond market and stocks were taken aback."

Mr. Gordon said the market had counted on the Fed to aggressively drive interest rates down. When the May employment report demonstrated strength in service-sector employment, the market concluded that the outlook is for continued sluggishness in corporate earnings, he said.

With that in mind, the market backed off, Mr. Gordon said. "The market will very possibly weaken further if uncertainty on the economy persists," he said. "The Fed has decided to quietly contemplate its navel" while waiting to see whether its last cut in the discount rate stimulates some economic growth, he said.

On the trading floor, San Diego Gas & Electric was near the top of the active list and slightly lower.

Coca-Cola was off in active trading.

Litton was slightly higher. Massey Ferguson was off fractionally.

Gulf & Western (ex-dividend) was off modestly. It plans to sell its Consumer and Industrial Products Group for about $1 billion to Wickes Cos.

National Semiconductor was slightly higher.

TWA was off slightly. It is reportedly close to being acquired by Resorts International. Resorts International Class A and Class B were lower.

UAL Inc., parent company of United Airlines, advanced. UAL said it planned to recapture the excess assets of its various employee pension plans and estimated the value of those excess assets to be about $962 million.

IBM was up slightly. Digital Equipment and Cray Research were lower.

General Motors, Ford and Chrysler were all lower.

AT&T, ITT and General Electric were lower. Westinghouse was up fractionally.

American Express was up marginally. Merrill Lynch was off modestly.

Citicorp, Chase Manhattan Bank and Manufacturers Hanover were easier. BankAmerica was unchanged at 20.

Treasury Secretary James A. Baker 3d said Monday that the Reagan administration is looking for a pickup in economic growth in the second half of the year as business conditions show the effects of recent moves by the Fed to encourage lower interest rates.

Although prices in tables on these pages are from the 4 P.M. close in New York, for time reasons, this article is based on the market at 3 P.M.

(Continued on Page 14)

Herald Tribune INTERNATIONAL

BUSINESS/FINANCE

TUESDAY, JUNE 11, 1985

U.S. Stocks Report, Page 12.

FUTURES AND OPTIONS

Foreign-Currency Markets Fail to Shed Nervous Mood

By H.J. MAIDENBERG
New York Times Service

NEW YORK. — An unusual nervousness has recently gripped the foreign-currency cash, futures and options markets. Whether this development was caused by or was the result of recent actions by major global financial houses to sharply limit their exposure in foreign-exchange dealings is not clear, according to market analysts.

Some foreign-exchange traders believe that the behavior of the market strongly indicates that a major move in the dollar's value may be at hand. But because no one seems to know when this may happen, and what direction the dollar may take, traders react to any move as the possible start of a trend.

Last week, for instance, the dollar rose strongly against all key foreign currencies except the Japanese yen, despite sharply lower yields on domestic Treasury and other instruments. The week before, the dollar posted equally large losses against these currencies.

"Currency values are the best barometers of a country's economic climate."

"There is no question that the markets are nervous because there is no uniform school of thought today among currency traders on which way the dollar is going to jump," said Irwin L. Kellner, chief economist at Manufacturers Hanover Trust Co. "Besides, traders have to react to the situation at hand, regardless of what their views are."

In his view, however, the dollar will not soar or plunge in the foreseeable future for several reasons. "For one, the economy is in fairly good shape," he noted, "and the Federal Reserve will not allow it to deteriorate or let interest rates decline much further. This means the dollar will continue to attract foreign investors."

JOHN M. Bliin, director of foreign-exchange and financial-options trading at Lasser Marshall Inc., a unit of the Mercantile House Group of London, the biggest international money broker, offered another view: "One reason the foreign-exchange markets are acting in so odd a manner is that their options prices, which are the cutting edge of this extremely sensitive market, are behaving even more erratically. For instance, volatility, the key factor in options, has largely dried up, while their premiums, or prices, can neither be described as too rich nor too cheap."

The premiums paid to buy options are considered the most sensitive indicator of market sentiment in the vastly larger cash-forward market in foreign exchange. Also, the call (buy) and put (sell) premiums that result from the continual auction process on option exchanges are usually a better indicator of value than the one-on-one currency deals made by the financial institutions.

Another reason, Mr. Bliin said, was that "currency values are the bottom line because they are the best barometers of a country's economic, social and political climates. Today, foreign investors believe our country has the best of these climates."

Still another reason is that many foreign-exchange deals today, unlike those in options, involve various kinds of swaps between traders, rather than straight-forward purchases or sales of currencies.

Because options are a wasting asset in that they have a fixed lifetime, investors in this market largely depend on volatility to help them obtain a profit. Normally, if the market is dormant, as it has been of late, the chances of achieving a gain diminish each day, and, consequently, so do the prices, or premiums.

While this situation is most profitable for those who grant, or write, options that will never be exercised, it is a losing proposition for buyers.

But as Mr. Blin, a former economics professor at Northwestern University, noted, the prices of foreign-exchange options have been stable, despite the wild fluctuations in the cash markets.

(Continued on Page 17, Col. 5)

Dollar Advances Strongly

Interest Rates In U.S. Cited

Compiled by Our Staff From Dispatches

LONDON — The U.S. dollar rose markedly against all major European currencies Monday, thanks mainly to a modest advance in U.S. interest rates, foreign exchange dealers said.

The currency traders said the dollar was buoyed by three factors: increases in the deposit rates for Eurodollars; rising interest rates in the United States; and expectations that U.S. economic growth was accelerating from its disappointing 0.7-percent registered growth in the first quarter of the year.

Dealers said the market was thin and remained highly susceptible to single large corporate transactions, but that the dollar appeared to be staging a gradual advance although fluctuating to achieve it.

In London, one British pound cost $1.2575 in late trading, down from Friday's $1.2685.

Other late rates for the dollar Monday against Friday's late rates were: 3.0972 Deutsche marks, up from 3.0615; 2.61 Swiss francs, up from 2.59, and 9.4455 French francs, up from 9.337.

In Tokyo, the dollar closed at 249.80 Japanese yen, up from 248.15.

Before reaching its late levels Monday, the dollar had hit peaks that saw it breach an upside resistance line of 3.1050 DM, dealers said.

They said the mood of the market appeared to have changed in the dollar's favor in the absence of any new indicators as to how the U.S. economy was performing. The next major indicator, retail sales for May, is due Thursday.

(AP, Reuters)

After Austerity, Mexico's Economy Now Suffers From Growing Pains

By Richard J. Meislin
New York Times Service

MEXICO CITY — After the near-collapse of its economy in 1982 followed by two years of austerity designed to bring its finances into balance, Mexico is being plagued by a new problem: growth.

A burst of economic activity that began late last year has brought with it a rise in imports and a continuation of serious, although declining, inflation — 22.6 percent for the first five months of this year, according to the central bank.

After two years of decline, Mexico's economy grew 3.5 percent last year — nearly all in the second half of the year. As soon as the economy showed signs of life, imports shot up, reaching $4.57 billion in the first four months of this year, a 38-percent rise from a year earlier.

Export income, meanwhile, dropped. The lower price of oil, Mexico's major export, cut petroleum receipts by 6.9 percent in the first four months of the year. Non-oil exports, hurt by an overvalued peso, declined 15.2 percent.

With still-lower oil prices believed to be on the horizon, Mexico's deliveries in June have lagged to an average of 850,000 barrels a day, according to petroleum analysts here. This figure is sharply below the 1.5 million barrels a day in the country's economic projections, and the trend is expected to cause further harm to export earnings.

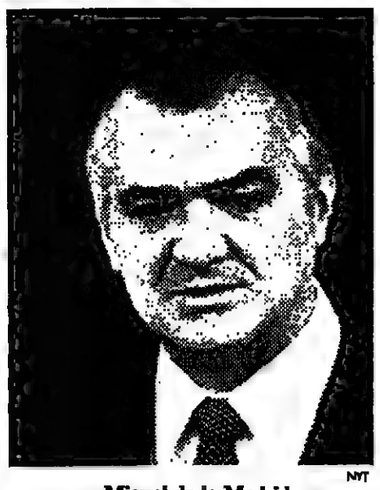
What seemed to be a loosening of the economic reins has concerned foreign bankers and economists in Mexico. The question, one economist said, is this: "Is the government saying, 'Look, we have suffered enough'?"

But Mexican officials have sought in recent days to dispel any idea that the country is about to relax its austerity program, which has been praised by the international economic community, if not by workers who have seen their standard of living decline.

"There is an indisputable necessity to reaffirm control of public finance and the abatement of inflation," said Francisco Suárez Davila, an undersecretary of the treasury. Inflation had run at 100 percent in 1982 before declining steadily to 80 percent in 1983 and around 60 percent in 1984.

President Miguel de la Madrid, in a speech to businessmen, said that "we cannot accept a relapse and we are not going to permit it."

The government announced a few days ago that it had prepared another $1.25 billion in cuts from its $77-billion budget, which has already been trimmed by $1.6 billion this year. Despite political pressures from hard-pressed workers, it also held wage increases for the first half of the year to 18 percent.



NYT

Miguel de la Madrid

Inflation, dropping oil prices and resulting uncertainty about Mexico's short-term economic future have put serious pressure on the battered peso. Officially valued at 240 to the dollar, it has dropped as low as 300 in recent days in some cities on the border with the United States.

While most economists in Mexico believe some adjustment in the peso is necessary, there is doubt this will come before elections in July. "There are several things that can be done," said one Mexican finance official. "The problem is that everything seems to be paralyzed because of the elections."

The balancing of Mexico's economic recovery against its political stability has become an subject of growing concern.

The government has shown increasing signs of awareness recently of the toll that more than two years of austerity programs could be taking on Mexico's social stability — particularly among the poor.

President de la Madrid, in announcing a $5-billion rural development program in May, warned that continued social inequality could not be tolerated because it could generate new conflicts "that sooner or later would rupture the social peace."

Not all the news is bad. Some private economists view the increase in imports as a healthy sign that

(Continued on Page 17, Col. 8)

U.S. Court Says States May Form Regional Banks

The Associated Press

WASHINGTON — The Supreme Court ruled Monday that states may band together to create regional banking systems, opening the way for a significant restructuring of the U.S. banking industry.

The court voted 8-to-0 to uphold regional banking laws in Connecticut and Massachusetts. Similar laws have been adopted in the Southeast and are under consideration elsewhere.

Such laws are designed primarily to exclude big banks with headquarters in states such as New York, Texas and California by allowing interstate mergers among banks within a region while banning all others.

Justice William H. Rehnquist, in his opinion for the court, said that the regional banking systems do not violate the Constitution's guarantee of equal protection under the law.

"Massachusetts and Connecticut are not favoring local corporations at the expense of out-of-state corporations," Justice Rehnquist said. "They are favoring out-of-state corporations domiciled within the New England region over out-of-state corporations from other parts of the country."

Justice Rehnquist said that such laws are in keeping with the U.S. tradition of favoring "widely dispersed control of banking." Protecting the independence and local control of banks is a legitimate state activity, he added.

Federal law generally prohibits a bank holding company based in one state from acquiring a bank in another state. But the federal law allows state legislatures to make exceptions and authorize acquisitions by out-of-state holding companies.

The Massachusetts law, enacted in 1982, and the Connecticut law, passed in 1983, both permit interstate takeovers if the acquiring company is located in the other state or in Maine, New Hampshire, Rhode Island or Vermont.

The Supreme Court's action likely will prompt similar regional pacts elsewhere in the country, said John B. Moore Jr., a banking analyst at the investment firm of Robinson Humphrey Co. in Atlanta.

The Federal Reserve Board had said that "a significant restructuring" of the nation's banking industry was at stake in the case.

The regional system was challenged by Citicorp of New York, and Northeast Bancorp of New Haven, Connecticut, which agreed two years ago to be acquired by Bank of New York Corp. but has so far been precluded from completing the merger.

The acquisition requires a change of law either by Connecticut's legislature, or Congress, in addition to approval by the Fed. "We're very disappointed," said Scott Peterson, a spokesman for Bank of New York.

Prices for regional banking stocks surged on the New York Stock Exchange Monday, including shares in two banks involved in regional interstate mergers.

W. German GNP Declines by 1%

Reuters

WIESBADEN, West Germany — Gross national product in West Germany provisionally fell 1 percent in the first quarter of 1985 from the fourth quarter of 1984, the federal statistics office said Monday. The figures are adjusted for inflation and seasonal variables.

GNP for the quarter increased an inflation-adjusted 0.4 percent from the same period of 1984. In the fourth quarter last year, GNP rose 1.5 percent against the third quarter, which had been 2.5 percent higher than the second quarter.

The second quarter of 1984 saw GNP contract by just under 1.5 percent from the first quarter because of industrial disputes. For 1984 as a whole, GNP rose 2.6 percent. GNP is the broadest measure of a nation's output of goods and services.

Bank Failure Renews Calls for Financial Reform in Hong Kong

By Dinah Lee
Washington Post Service

HONG KONG — The collapse of Overseas Trust Bank Ltd. and subsequent rescue last week by the Hong Kong government could not have come at a better time for those in the British colony pressing for belated reform of financial supervisory systems.

Even as the Legislative Council passed an emergency bill Friday giving the government ownership of OTB, recommendations for tightening control of lending and bank capitalization were under review in the offices of Banking Commissioner Robert Fell.

Among the suggestions have been the establishment of a depositors' insurance program and the improvement of the bank reporting system.

But observers wondered if these or other measures could have had any effect on the circumstances that led to OTB's failure. The financial secretary, Sir John H. Bremridge, said the collapse followed an intensive, two-month audit of the bank's books and appeared to be the result of a major fraud.

Four OTB employees, including the managing director, have been charged with banking-law violations since the failure.

The reluctance with which officials agreed to rescue OTB was palpable. Legislative councilors voiced concern that passing the rescue bill would give other banks the impression that they could rely on similar help.

"We cannot possibly bail out all lame ducks as they go lame," Carl Tong, a legislative councilor, said during Friday's debate on the OTB rescue. "Surely the system of safeguards must be changed. How is it that after two close months of examinations by our bank examiners, action was apparently taken only at the 11th hour when the chairman of the bank wrote to advise the authorities of the bank's insolvency?"

Sir John said he recommended the bail-out only because the local bank's problems were not the result of mismanagement or "the lack of prudential supervision by the Banking Commission."

Sir John said he feared that if OTB was not rescued, foreign banks would pull their funds from other local institutions, endangering the local banking system. He said later that he could name at least eight banks that could have collapsed if depositors moved their capital to "quality" banks.

He said he also feared the deterioration of Hong Kong's reputation as a credible financial center.

The colony has 141 banks, 33 licensed deposit-taking companies, 307 registered deposit-taking companies, and 119 representative banking offices. It has grown into the world's third-largest financial center, after New York and London, by virtue of flourishing laissez-faire financial policies.

Ironically, it was one of the chief architects of Hong Kong's non-interventionist policies, Chief Secretary Sir Philip Haddon-Cave, who presided over the emergency legislative session that rescued OTB Friday. Only 24 hours away from his retirement, Sir Philip's last official act was to oversee passage of a bill that, in effect, made the government one of Hong Kong's largest commercial-bank operators.

And it is government intervention in the past two years that may be changing Hong Kong's free-wheeling image.

In October 1983, during a period of political uncertainty about the colony's future when it returns to Chinese sovereignty in 1997, the government linked its currency to that of the United States. The exchange rate now is limited to 7.7 to 7.8 Hong Kong dollars per $1.

A month earlier, Sir John orchestrated the rescue of the Hang Lung Bank, the first time that the government had assumed responsibility for a financial institution. A large local bank with 28 branches, the Hang Lung had been the subject of a bank run in 1982, and had been linked with a failed registered deposit-taking company, Dollar Credit & Financing.

These factors, among others, led the government in 1983 to begin the current review of its financial supervisor and banking practices — a review that should result later this year in proposals from Mr. Fell for legislative changes.

Mr. Fell said Friday that although the Hang Lung and OTB rescues were separate, "there are possible strings that go through several failures in Hong Kong. At the end of the day, so much of the problem comes back to the banking boom and bust."

The banking commissioner was referring to the property and bank-credit boom of 1979-82 that led to the eventual collapse of a number of property companies, the most notable being the Carrian Group, which had a loss of more than $1 billion.

Mr. Fell said that OTB's problems could be traced to a series of loans made by OTB to Simon Yip, a Hong Kong businessman who acted as the Dominican Republic's honorary consul in Hong Kong.

Mr. Yip's deposit-taking company, Dominican Finance, was closed down by Hong Kong authorities in April, following investigations by Dominican Republic authorities.

Mr. Fell said that Mr. Yip's loans from OTB were "considerable sums made in the 1981-1982 period."

The banking commissioner said his office was specifically aware of problems with OTB about a year ago.

The government has been criticized for not moving sooner against OTB, Hong Kong's fourth-largest local bank with assets of 10 billion Hong Kong dollars ($1.29 billion).

Bank Reopens In Hong Kong

Reuters

HONG KONG — Overseas Trust Bank Ltd. reopened Monday with new management and government deposit guarantees after declaring itself insolvent and closing last week.

The colony's financial markets were calmer Monday and the Hang Seng stock index rebounded 29.32 points, to 1,571.87. The index had tumbled 86.95 points Friday amid concerns for Hong Kong's banking system.

Meanwhile Monday, the former head of OTB's credit-card operation was charged in court with conspiracy to defraud. Leow Tshmlin, 35, was the fourth OTB official to be charged since Friday with violations of banking laws.

Currency Rates

Cross Rates *June 10*

	$	£	D.M.	F.F.	It.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	3.092	4.402	112.71 e	34.965 e	0.177 e	—	5.593 e	133.92 e	139.58 y
Brussels(a)	62.485	88.765	20.1515	6.6995	3.164 e	17.879	—	23.9353	24.955 e
Frankfurt	3.0972	3.907	—	32.805 e	1.5495 e	18.72 e	4.962 e	118.825 e	1.238 e
London (b)	1.2575	—	3.898	11.8778	2.478.58	4.3025	78.595	3.2858	314.85
Milan	1,074.78	2,468.08	637.11	208.94	—	566.48	21,648	757.24	7.989
New York(c)	—	0.7915 e	3.0925	9.4275	1,973.00	3.495	62.75	2.6035	250.17
Paris	9.4455	11.915	3.0486	—	4.7875 e	2.7849	15.133 e	3.6718	2.7143 e
Tokyo	249.80	314.74	80.80	26.51	12.71 e	71.70	401.28 e	96.87	—
Zurich	2.61	3.2874	84.125 e	27.595 e	3.1322 e	74.585 e	4.168 e	—	1.8408 e
1 ECU	0.7251	0.5745	2.2442	6.8407	1,439.92	2.5286	45.218	1.8894	181.387
1 SDR	0.972284	0.76703	3.0033	9.37262	1,959.66	3.4451	61.9235	2.5376	247.823

Closings in London and Zurich. Rates in other European centers. New York rates at 3 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (e) Units of 100 (y) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (e) To buy one pound: $U.S.1.2635

Other Dollar Values

Currency per	U.S.$	Currency per	U.S.$	Currency per	U.S.$	Currency per	U.S.$
Argen. peso	633.77	Fin. markka	4.37	Malay. ringg.	2.4705	S. Kor. won	875.05
Austral. $	1.5094	Greek drac.	135.25	Mex. peso	276.00	Span. peseta	175.00
Austr. schil.	21.65	Hong Kong $	7.7715	Norw. krone	8.987	Swed. krona	8.534
Belg. fin. fr.	42.34	Indian rupee	12.45	Phil. peso	27.50	Taiwan $	39.77
Brazil cruz.	5,560.00	Indo. rupiah	1,117.00	Port. escudo	175.00	Thai baht	27.415
Canadian $	1.3731	Irish £	0.9833	Saudi riyal	3.65	Turkish lira	522.65
Danish krone	11.20	Israeli shek.	1,090.40	Sing. $	2.2265	UAE dirham	3.6725
Egypt. pound	0.7463	Kuwaiti dinar	0.2931	S. Afr. rand	1.9889	Venez. boliv.	13.10

£ Sterling: 1.2485 Irish £

Sources: Banque de Bruxelles (Brussels); Banca Commerciale Italiana (Milan); Chemical Bank (New York); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits *June 10*

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	7⅛-7⅜	5⅛-5⅜	5-5⅛	12⅝-12⅞	10⅝-10⅞	9⅛-9⅜	7 ⅛
2 months	7 ⅛-7 ⅜	5½-5⅝	5 ⅛-5 ⅜	12⅝-12⅞	10¼-10⅜	9⅛-9⅜	7 ⅛
3 months	7 ⅛-7 ⅜	5½-5⅝	5 ⅛-5 ⅜	12½-12⅝	10 ⅛-10 ⅜	9⅛-9⅜	7 ⅛
6 months	7⅝-8	5 ⅛-5 ⅜	5⅛-5¼	12 ⅛-12 ⅜	10 ⅛-10 ⅜	9⅛-9⅜	7⅞
1 year	8 ⅛-8 ⅜	5⅛-5⅜	5⅛-5¼	12-12½	10 ⅛-10⅜	9 ⅛-9 ⅜	8⅛

Sources: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates *June 10*

United States	Close	Prev.
Discount Rate	7½	7½
Federal Funds	7 11/16	7 9/16
Prime Rate	10	10
Broker Loan Rate	8½-8¾	8½-8¾
Com Paper 90-179 days	7.35	7.30
3-month Treasury Bills	7.14	7.12
6-month Treasury Bills	7.25	7.27
CD's 30-59 days	7.15	6.95
CD's 60-89 days	7.20	6.95
West Germany		
Lombard Rate	6.00	6.00
Overnight Rate	5.45	5.50
One Month Interbank	5.60	5.60
3-month Interbank	5.70	5.70
6-month Interbank	5.75	5.75
France		
Intervention Rate	10¼	10¼
Call Money	10 3/16	10¼
One-month Interbank	10⅛	10⅛
3-month Interbank	10⅛	10⅛
6-month Interbank	10	10
Britain		
Bank Base Rate	12½-12¾	12½-12¾
Call Money	12¾	12¾
91-day Treasury Bill	11 30/32	11 13/16
3-month Interbank	12⅝	12½
Japan		
Discount Rate	5	5
Call Money	6⅛	6 3/16
30-day Interbank	6 5/16	6 5/16

Sources: Reuters, Commerzbank, Crédit Lyonnais, Lloyds Bank, Bank of Tokyo.

Asian Dollar Deposits *June 10*

1 month	7⅛ - 7¼
2 months	7 ⅛ - 7 ⅜
3 months	7⅛ - 7⅜
6 months	8 - 8⅛
1 year	8 ⅛ - 8 ⅜

Source: Reuters.

U.S. Money Market Funds *June 10*

Merrill Lynch Ready Assets 30 day average yield:	8.93
Taxable Interest Rate Index:	7.605

Source: Merrill Lynch, AP

Gold

June 10

	A.M.	P.M.	Close
Hong Kong	314.35	312.65	—2.80
Luxembourg	312.65	—	—2.65
Paris (12.5 kilo)	310.86	311.01	—3.70
Zurich	312.65	312.35	—2.55
London	310.75	312.00	—2.30
New York	—	314.10	—0.20

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York Comex current contract. All prices in U.S. $ per ounce.

Source: Reuters.

Markets Closed

Most Australian financial markets were closed Monday for a holiday.

U.S. Futures June 10

Grains

WHEAT (CBT)
5,000 bu minimum-dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
3.90	3.12¼	Jul	3.19¼	3.22	3.18¼	3.21¼	+.02¼
3.76½	3.15	Sep	3.23½	3.23¾	3.20½	3.23	+.01½
3.63½	3.18	Dec	3.29¾	3.31¼	3.29	3.30¾	+.00½
3.74½	3.27¼	Mar	3.38¼	3.32	3.30	3.31½	+.00¼
4.02	3.14	May	3.23	3.23	3.21	3.21¼	+.01
2.77½	2.95	Jul	3.08	3.09	3.07	3.08	+.00½

Est. Sales Prev. Sales 5,455
Prev. Day Open Int. 38,705 off 221

CORN (CBT)
5,000 bu minimum-dollars per bushel

3.31	2.72	Jul	2.77¾	2.78	2.76½	2.77	—.02
3.21½	2.55¾	Sep	2.62½	2.63¼	2.61¼	2.62¾	—.01¾
2.92	2.57	Dec	2.67	2.67	2.66	2.66¼	—.01½
3.10	2.60	Mar	2.67	2.67¾	2.66½	2.67¼	—.01½
3.21¼	2.64½	May	2.72	2.72	2.70½	2.71½	—.01½
2.86	2.64½	Jul	2.71	2.71	2.70¼	2.70½	—.01½
2.86½	2.51¾	Sep	2.57¼	2.58	2.57	2.57	—.02

Est. Sales Prev. Sales 36,151
Prev. Day Open Int. 162,390 off 570

SOYBEANS (CBT)
5,000 bu minimum-dollars per bushel

7.99	5.56½	Jul	5.86	5.89	5.79¼	5.82¾	—.12
7.66	5.52½	Aug	5.79	5.80	5.74¼	5.77¼	—.01½
6.71	5.46½	Sep	5.72	5.75	5.69½	5.72¼	—.01½
6.68	5.47½	Nov	5.77	5.80	5.74	5.77¼	—.01¾
6.79	5.58¼	Jan	5.88	5.88	5.83	5.87	—.01½
7.62	5.69	Mar	5.98½	5.98½	5.93	5.97	—.01
7.79	5.77	May	6.06½	6.06½	6.00	6.05	—.01½
6.58	5.82	Jul	6.12	6.12½	6.06	6.10	—.01½

Est. Sales Prev. Sales 66,326
Prev. Day Open Int. 67,996 up 705

SOYBEAN MEAL (CBT)
100 tons-dollars per ton

196.50	117.40	Jul	123.20	123.50	122.10	123.00	—1.40
180.50	120.60	Aug	126.10	126.30	124.80	126.00	—1.40
179.50	123.40	Sep	129.30	129.50	127.70	128.90	—1.50
180.50	126.50	Oct	131.30	132.00	130.40	131.70	—1.50
184.00	131.50	Dec	137.00	137.30	136.00	137.10	—1.30
163.00	134.50	Jan	139.00	140.00	139.00	139.70	—.80
154.50	139.10	Mar	144.00	145.50	144.00	145.20	—.30
162.50	143.00	May	150.00	150.00	149.50	148.20	—1.30
167.00	147.90	Jul				150.50	—1.50

Est. Sales Prev. Sales 23,317
Prev. Day Open Int. 51,719 up 476

SOYBEAN OIL (CBT)
60,000 lbs.-dollars per 100 lbs.

32.72	22.70	Jul	31.15	31.29	31.02	31.20	—.18
31.95	22.50	Aug	29.90	30.05	29.80	29.94	—.26
31.10	22.59	Sep	28.85	28.97	28.70	28.89	—.23
30.37	22.90	Oct	27.90	27.90	27.65	27.70	—.38
29.55	22.90	Dec	26.95	26.95	26.60	26.72	—.38
29.07	23.60	Jan	26.25	26.30	26.00	26.17	—.38
28.40	24.40	Mar	25.80	25.80	25.55	25.65	—.35
27.45	24.20	May	25.22	25.22	25.00	25.02	—.42
25.15	23.95	Jul	24.95	24.95	24.60	24.50	—.43

Est. Sales Prev. Sales 25,844
Prev. Day Open Int. 57,952 off 2,009

OATS (CBT)
5,000 bu minimum-dollars per bushel

1.78½	1.47¾	Jul	1.52	1.52	1.52	1.52½	—.01½
1.79	1.47¾	Sep	1.51	1.51	1.51	1.50¼	—.01¼
1.82½	1.52½	Dec	1.55¼	1.55½	1.54	1.54½	—.02¼
1.67¾	1.58½	Mar				1.58¼	—.02
1.65	1.60	May				1.61	

Est. Sales Prev. Sales 234
Prev. Day Open Int. 2,844 off 27

Livestock

CATTLE (CME)
40,000 lbs.-cents per lb.

69.50	58.62	Jun	61.35	61.47	60.62	60.67	—.60
67.67	60.45	Aug	63.75	63.75	63.07	63.07	—.50
65.90	60.10	Oct	63.55	63.55	62.70	62.75	—.55
67.85	61.50	Dec	64.37	64.37	63.65	63.67	—.55
67.45	62.10	Feb	64.70	64.75	64.00	64.15	—.40
67.57	63.50	Apr	65.55	65.75	65.00	65.20	—.20
66.25	65.25	Jun				65.60	—.20

Est. Sales Prev. Sales 14,802
Prev. Day Open Int. 49,499 up 129

FEEDER CATTLE (CME)
44,000 lbs.-cents per lb.

73.70	64.07	Aug	68.90	68.90	68.05	68.07	—.50
73.00	64.60	Sep	68.20	68.20	67.80	67.82	—.45
72.32	64.25	Oct	68.25	68.30	67.70	67.67	—.40
73.30	65.25	Nov	69.15	69.15	68.40	68.40	—.35
79.60	66.60	Jan				69.85	—.15
70.30	66.10	Mar	70.25	70.25	70.25	69.85	—.20
70.00	70.00	Apr				70.00	

Est. Sales Prev. Sales 639
Prev. Day Open Int. 8,534 up 139

HOGS (CME)
30,000 lbs.-cents per lb.

55.40	44.40	Jun	47.80	48.40	47.80	48.10	+.48
55.77	47.05	Jul	50.90	51.12	50.52	50.75	+.05
54.37	47.37	Aug	50.80	50.90	50.17	50.45	
51.75	45.00	Oct	47.35	47.57	47.15	47.32	+.07
50.85	46.30	Dec	48.80	48.85	48.25	48.50	+.10
50.00	46.25	Feb	49.42	49.80	49.30	49.35	—.05
47.35	44.50	Apr	45.72	46.15	45.72	45.90	+.08
49.65	46.90	Jun	48.50	48.50	48.50	48.30	—.10
49.75	47.75	Jul	49.20	49.20	49.20	49.30	+.15

Est. Sales Prev. Sales 5,866
Prev. Day Open Int. 22,558 up 125

PORK BELLIES (CME)
38,000 lbs.-cents per lb.

82.47	61.12	Jul	69.40	70.07	67.95	68.70	—.57
80.65	60.20	Aug	66.65	69.10	67.35	67.92	—.53
76.20	63.15	Feb	74.30	74.65	73.00	73.22	—.90
75.40	64.00	Mar	74.25	74.25	73.30	72.90	—1.10
75.60	70.10	May	73.90	73.90	73.90	74.00	—.90
76.00	69.70	Jul				74.40	—.60

Est. Sales Prev. Sales 8,217
Prev. Day Open Int. 11,514 off 391

Food

COFFEE C (NYCSCE)
37,500 lbs.-cents per lb.

149.40	121.00	Jul	147.00	147.15	145.65	147.03	—1.99
148.82	127.00	Sep	146.50	148.20	146.50	148.08	—.94
148.82	129.25	Dec	146.75	148.25	146.60	147.87	—.95
147.95	128.50	Mar	145.50	147.00	145.50	146.92	—1.03
147.13	131.00	May				145.53	—1.33
143.00	135.50	Jul	145.00	145.00	145.00	143.73	—1.23
142.00	132.75	Sep	143.00	143.00	143.00	142.25	—1.25

Est. Sales Prev. Sales 6,041
Prev. Day Open Int. 13,242 up 351

SUGAR WORLD 11 (NYCSCE)
112,000 lbs.-cents per lb.

9.95	2.78	Jul	2.80	2.83	2.75	2.77	—.03
9.73	2.90	Sep	2.94	2.95	2.83	2.87	—.03
9.05	2.99	Oct	3.01	3.03	2.94	2.99	—.02
7.75	3.41	Jan	3.46	3.46	3.46	3.40	—.06
9.33	3.84	Mar	3.89	3.89	3.76	3.77	—.10
7.15	4.06	May	4.10	4.10	4.06	4.03	—.05
6.69	4.30	Jul	4.33	4.33	4.22	4.25	—.07
6.20	4.74	Sep				4.39	—.08
4.94	4.40	Oct	4.59	4.59	4.53	4.53	—.08

Est. Sales Prev. Sales 12,772
Prev. Day Open Int. 92,944 off 1,441

COCOA (NYCSCE)
10 metric tons-$ per ton

2400	1998	Jul	2065	2090	2067	2084	+7
2415	1987	Sep	2038	2048	2031	2040	—6
2337	1945	Dec	2018	2025	2005	2024	+2
2190	1955	Mar	2025	2025	2015	2024	—10
2130	1968	May				2027	—7
2139	1998	Jul				2043	

Est. Sales Prev. Sales 1,388
Prev. Day Open Int. 20,828 off 19

ORANGE JUICE (NYCE)
15,000 lbs.-cents per lb.

184.85	138.70	Jul	145.00	146.40	144.50	144.90	+.60

Season High	Season Low		Open	High	Low	Close	Chg.
182.00	134.30	Sep	143.05	143.00	141.40	142.00	+.45
181.00	134.00	Nov	140.50	141.00	140.25	140.60	+.25
180.00	134.00	Jan	140.10	140.10	140.10	139.95	+.25
177.50	134.00	Mar	139.50	140.00	139.50	139.95	+.25
142.50	134.70	May				139.95	+.25
157.50	142.50	Jul				139.95	+.25
150.50	179.75	Sep				139.95	+.25
		Nov				139.95	+.25

Est. Sales Prev. Sales 365
Prev. Day Open Int. 5,872 up 1

Metals

COPPER (COMEX)
25,000 lbs.-cents per lb.

65.55	60.25	Jun				60.20	—.20
60.25	57.00	Jul	59.90	60.55	59.90	60.50	—.20
59.80	59.80	Aug				60.05	—.20
62.10	57.50	Sep	60.85	61.40	60.70	61.40	—.20
64.25	58.50	Dec	61.95	62.40	61.75	62.40	—.15
64.30	59.60	Jan				62.65	—.15
70.00	59.60	Mar	62.85	63.00	62.75	63.10	—.20
74.00	61.10	May	63.25	63.25	63.15	63.55	—.20
74.40	61.30	Jul	63.80	63.95	63.00	64.00	—.20
70.90	62.30	Sep				64.45	—.20
70.30	64.00	Dec				65.05	—.20
70.20	65.30	Jan				65.65	—.20
67.00	66.00	Mar					

Est. Sales Prev. Sales 18,460
Prev. Day Open Int. 82,418 up 1,064

ALUMINUM (COMEX)
40,000 lbs.-cents per lb.

49.85	44.35	Jun				45.50	—.30
59.40	45.75	Jul	45.65	45.95	45.65	45.70	—.35
		Aug				46.05	—.35
74.30	46.50	Sep	46.30	46.60	46.30	46.45	—.30
70.60	47.45	Dec				47.50	—.30
76.50	51.75	Jan				47.85	—.30
73.60	48.70	Mar				48.55	—.30
66.75	53.95	May				49.25	—.30
63.45	54.50	Jul				50.45	—.30
52.10	51.80	Sep				51.75	—.30
		Dec				53.10	—.30
		Jan				52.80	—.30
		Mar					

Est. Sales Prev. Sales 186
Prev. Day Open Int. 2,272 up 5

SILVER (COMEX)
5,000 troy oz.-cents per troy oz.

642.5	598.0	Jun	612.0	612.0	612.0	615.0	+1.7
1461.0	562.0	Jul	610.5	619.0	609.0	617.5	+1.5
		Aug				619.5	+1.5
1183.0	573.0	Sep	620.0	627.0	617.5	625.4	+1.6
1230.0	590.0	Dec	630.0	638.0	628.0	637.5	+1.7
1215.0	595.0	Jan	638.0	638.0	638.0	642.0	+1.7
1193.0	607.0	Mar	647.0	649.5	644.5	650.2	+1.7
1040.0	621.0	May				658.2	+1.7
945.0	635.0	Jul				666.8	+1.7
940.0	641.0	Sep				675.0	+1.7
799.0	657.0	Dec				684.3	+1.7
789.0	725.0	Jan				699.7	+1.7
770.0	706.0	Mar				710.7	+1.7

Est. Sales Prev. Sales 14,527
Prev. Day Open Int. 78,852 off 276

PLATINUM (NYMEX)
50 troy oz.-dollars per troy oz.

287.00	251.00	Jun	261.00	261.00	261.00	262.70	—1.50
449.50	261.00	Jul	261.00	261.00	261.00	263.70	—1.50
393.00	260.00	Oct	264.00	268.50	263.00	268.20	—1.50
372.50	260.00	Jan	270.50	272.00	264.00	272.30	—1.50
329.50	277.00	Apr	276.00	276.00	275.50	278.30	—1.50

Est. Sales Prev. Sales 1,300
Prev. Day Open Int. 12,236 off 243

PALLADIUM (NYMEX)
100 troy oz.-dollars per oz.

159.50	96.25	Jun	94.00	95.00	94.00	95.60	—1.30
141.75	93.50	Sep	95.00	95.20	94.00	95.10	—1.30
141.00	93.00	Dec	94.00	94.00	94.00	95.20	—1.30
127.50	94.50	Mar	95.50	95.50	95.50	95.20	—1.30
114.00	94.50	Jun	94.00	96.00	94.00	95.45	—1.30

Est. Sales Prev. Sales 496
Prev. Day Open Int. 6,974 off 168

GOLD (COMEX)
100 troy oz.-dollars per troy oz.

516.00	287.00	Jun	311.50	314.50	309.80	314.10	—.30
328.50	313.50	Jul				315.70	—.30
485.00	291.00	Aug	314.50	317.50	312.50	317.20	—.50
493.00	297.00	Oct	318.50	320.50	316.30	320.80	—.60
489.50	301.50	Dec	322.00	325.30	320.50	324.00	—.60
485.50	304.00	Feb	325.00	329.00	324.00	329.00	—.60
490.50	314.20	Apr	331.50	332.30	331.50	333.90	—.70
435.70	320.50	Jun	332.70	332.70	332.70	337.80	—.80
428.40	331.00	Aug	340.00	340.00	340.00	342.40	—.80
395.70	335.00	Oct				347.00	—.80
393.00	342.00	Dec	348.50	348.50	348.50	352.40	—.80
364.20	342.00	Apr	362.00	362.10	362.00	363.70	—.90

Est. Sales Prev. Sales 17,447
Prev. Day Open Int. 125,698 off 119

Financial

US T. BILLS (IMM)
$1 million-pts of 100 pct.

93.11	86.94	Sep	92.73	92.77	92.66	92.71	—.02
92.39	85.77	Dec	92.39	92.43	92.31	92.36	—.04
92.49	86.60	Mar	92.10	92.10	91.97	92.00	—.06
92.19	87.01	Jun	91.75	91.75	91.66	91.70	—.07
91.91	88.00	Sep	91.46	91.46	91.43	91.44	—.08
91.49	89.05	Dec				91.23	—.08
91.39	89.58	Mar				91.03	—.08

Est. Sales Prev. Sales 13,170
Prev. Day Open Int. 33,221 up 1,275

10 YR. TREASURY (CBT)
$100,000 prin-pts & 32nds of 100 pct

89-16	70-9	Jun	86-12	87-15	86-10	87-15	+5
88-21	75-18	Sep	84-3	84-15	83-29	84-15	+6
87-13	75-13	Dec	83-1	83-15	83-1	83-13	+8
85-31	75-14	Mar				82-10	+8
85-3	74-30	Jun	83-10	83-26	83-9	83-26	+8

Est. Sales Prev. Sales 29,894
Prev. Day Open Int. 52,731 up 3,784

US TREASURY BONDS (CBT)
($ pt-$100,000-pts & 32nds of 100 pct)

80-11	57-20	Jun	77-23	78	77-13	77-31	+10
79-12	57-10	Sep	76-25	77-2	76-14	77-1	+10
78-13	57-8	Dec	75-26	76-3	75-15	76-1	+10
77-12	57-2	Mar	74-27	75-3	74-19	75-2	+9
76-6	56-29	Jun	73-30	74-4	73-18	74-4	+8
75-31	56-29	Sep	73-1	73-11	73-1	73-9	+8
74-24	56-25	Dec	72-4	72-17	72-1	72-15	+8
74-15	56-27	Mar	71-18	71-24	71-15	71-22	+8
73-11	63-12	Jun				71-1	+11
72-27	63-4	Sep	70-1	70-11	70	70-7	+8
72-16	62-24	Dec				69-22	+12

Est. Sales Prev. Sales 258,073
Prev. Day Open Int. 211,249 up 3,414

GNMA (CBT)
$100,000 prin-pts & 32nds of 100 pct

77-4	57-17	Jun	75-15	75-24	75-13	75-25	+3
76-14	59-13	Sep	74-21	74-27	74-12	74-22	+3
75-25	59-4	Dec	74-18	74-18	74-14	74-15	
75-4	58-20	Mar				73-29	
74-23	58-23	Jun				73-14	
68-31	65	Sep				73-3	

Est. Sales Prev. Sales 564
Prev. Day Open Int. 4,387 off 118

CERT. DEPOSIT (IMM)
$1 million-pts of 100 pct

92.89	85.30	Jun	92.53	92.53	92.48	92.53	
92.60	85.60	Sep	92.12	92.16	92.06	92.13	+.03
92.13	85.34	Dec	91.66	91.66	91.66	91.63	+.02
91.41	86.56	Mar	91.21	91.21	91.21	91.19	+.01
91.19	86.43	Jun				90.82	
91.08	87.56	Sep	90.54	90.54	90.54	90.51	—.01
88.99	88.34	Dec				90.20	—.02

Est. Sales Prev. Sales 260
Prev. Day Open Int. 4,074 off 92

EURODOLLARS (IMM)
$1 million-pts of 100 pct.

92.59	82.49	Jun	92.23	92.34	92.18	92.23	
92.36	84.53	Sep	91.80	91.83	91.74	91.80	+.03
91.82	84.80	Dec	91.33	91.35	91.25	91.29	+.02
91.42	86.10	Mar	90.91	90.93	90.82	90.85	+.01
91.07	86.73	Jun	90.56	90.56	90.45	90.48	
90.78	87.08	Sep	90.22	90.22	90.20	90.21	—.01
90.53	87.28	Dec	89.94	89.94	89.94	89.87	—.01
90.20	87.64	Mar	89.67	89.67	89.59	89.59	—.01

Est. Sales Prev. Sales 54,782
Prev. Day Open Int. 128,864 up 2,141

BRITISH POUND (IMM)
$ per pound-1 point equals $0.0001

1.3350	1.0225	Jun	1.2465	1.2468	1.2445	1.2445	—.50
1.4450	1.0200	Sep	1.2445	1.2510	1.2400	1.2500	—.55
1.2800	1.0200	Dec	1.2330	1.2400	1.2300	1.2365	—.55
1.2800	1.0400	Mar	1.2300	1.2300	1.2300	1.2295	—.55
1.2250	1.1905	Jun	1.2305	1.2305	1.2305	1.2205	—.60

Est. Sales Prev. Sales 10,143
Prev. Day Open Int. 47,598 off 929

CANADIAN DOLLAR (IMM)
$ per dlr-1 point equals $0.0001

.7835	.7154	Jun	.7281	.7284	.7272	.7283	+.7
.7385	.7020	Sep	.7245	.7251	.7238	.7250	+.6
.7344	.7086	Dec	.7219	.7219	.7219	.7223	+.6
.7590	.6981	Mar	.7200	.7200	.7200	.7203	+.6
.7350	.7070	Jun	.7198	.7198	.7198	.7183	+7

Est. Sales Prev. Sales 1,160
Prev. Day Open Int. 11,404 up 71

FRENCH FRANC (IMM)
$ per franc-1 point equals $0.00001

.11020	.09410	Jun	.10600	.10600	.10600	.10618	—.50
.10140	.09480	Sep				.10545	—.45
.10615	.09870	Dec				.10490	—.50

Est. Sales Prev. Sales
Prev. Day Open Int. 744 off 2

GERMAN MARK (IMM)
$ per mark-1 point equals $0.0001

.3920	.3185	Jun	.3231	.3243	.3218	.3242	+1
.3545	.2930	Sep	.3349	.3362	.3336	.3360	+1
.3610	.3171	Dec	.3364	.3379	.3354	.3379	
.3415	.3040	Mar	.3395	.3395	.3395	.3305	+5

Est. Sales Prev. Sales 30,977
Prev. Day Open Int. 52,650 off 1,698

JAPANESE YEN (IMM)
$ per yen-1 point equals $0.000001

.004000	.002635	Jun	.003995	.004003	.003969	.004003	
.004150	.003870	Sep	.004014	.004020	.004000	.004019	—1
.004350	.003906	Dec	.004038	.004038	.004038	.004037	—2
.004160	.004025	Mar	.004070	.004070	.004070	.004064	

Est. Sales Prev. Sales 7,304
Prev. Day Open Int. 28,144 off 1,392

SWISS FRANC (IMM)
$ per franc-1 point equals $0.0001

.4900	.3439	Jun	.3840	.3848	.3834	.3844	—4
.4830	.3480	Sep	.3845	.3874	.3850	.3871	—5
.4360	.3531	Dec	.3895	.3898	.3878	.3895	—5
.4025	.3635	Mar				.3930	—10

Est. Sales Prev. Sales 18,469
Prev. Day Open Int. 32,337 off 1,591

Industrials

LUMBER (CME)
100,000 bd. ft.-$ per 1,000 bd. ft.

230.50	129.30	Jul	161.20	163.00	159.70	161.00	—1.30
197.50	135.50	Sep	162.40	164.00	161.30	162.50	—.30
186.10	137.80	Nov	162.00	163.40	160.90	162.00	—.90
187.00	144.60	Jan	166.20	167.10	164.20	164.00	—1.70
195.00	150.00	Mar	170.10	171.00	170.00	170.50	—1.40
176.40	155.00	May	175.00	175.00	173.90	174.50	—1.50
183.00	173.40	Jul	179.50	179.50	179.50	180.90	

Est. Sales Prev. Sales 2,845
Prev. Day Open Int. 10,400 up 160

COTTON 2 (NYCE)
50,000 lbs.-cents per lb.

79.85	60.90	Jul	62.90	62.90	62.45	62.53	—.29
77.50	60.02	Oct	61.70	61.80	61.40	61.45	—.15
70.00	60.45	Dec	62.40	62.40	62.15	62.19	—.21
74.75	61.40	Mar	63.40	63.40	63.20	63.25	—.21
70.00	61.86	May				63.59	—.31
70.00	62.05	Jul	63.82	63.90	63.80	63.92	—.10
65.50	59.50	Oct	60.70	60.70	60.50	60.55	—.15

Est. Sales Prev. Sales 1,291
Prev. Day Open Int. 14,348 off 37

HEATING OIL (NYME)
42,000 gal.-cents per gal.

75.20	65.35	Jul	67.70	68.15	67.25	67.68	—.33
75.50	67.00	Aug	67.50	67.90	66.40	66.77	—.95
76.45	67.80	Sep	68.05	68.40	67.50	67.94	—.86
77.70	68.70	Oct	69.05	69.40	67.90	67.94	—1.11
74.25	69.45	Nov	70.30	70.30	68.80	68.85	—1.20
78.25	70.50	Dec	70.50	70.85	69.50	69.50	—1.55
74.90	72.40	Jan	71.40	71.40	70.25	70.25	—1.40
72.90	72.75	Feb				70.65	—1.40
73.00	72.00	Mar				69.95	—1.40
74.00	74.00	Apr				68.95	—1.40

Est. Sales Prev. Sales 7,549
Prev. Day Open Int. 19,964 up 383

CRUDE OIL (NYME)
1,000 bbl.-dollars per bbl.

29.54	24.10	Jul	26.82	26.90	26.70	26.81	—.11
29.57	24.25	Aug	26.06	26.15	25.85	25.96	—.19
29.50	24.82	Sep	25.27	25.41	25.07	25.24	—.20
29.50	24.65	Oct	25.17	25.65	25.35	25.39	—.20
29.50	24.40	Nov	25.44	25.44	25.21	25.22	—.20
29.50	24.55	Dec	25.28	25.29	25.00	25.06	—.21
29.50	24.25	Jan	25.20	25.20	24.95	25.00	—.21
29.44	24.42	Feb	24.80	24.80	24.65	24.88	—.20
29.45	24.92	Mar				24.88	—.20
29.45	24.92	Apr				24.88	—.20
27.98	24.97	May				24.88	—.20
26.70	24.70	Jun				24.88	—.20
27.00	25.75	Sep				24.75	—.25

Est. Sales Prev. Sales 21,500
Prev. Day Open Int. 61,807 up 30

Stock Indexes

(Indexes compiled shortly before market close)

SP COMP. INDEX (CME)
points and cents

191.95	156.10	Jun	189.35	189.85	188.85	189.60	+.05
195.60	160.00	Sep	192.80	193.90	192.30	193.50	+.35
199.10	175.70	Dec	196.50	196.70	196.10	196.45	+.35
202.25	190.10	Mar	200.00	200.40	200.00	200.10	—.60

Est. Sales Prev. Sales 66,832
Prev. Day Open Int. 79,062 off 643

VALUE LINE (KCBT)
points and cents

219.60	173.00	Jun	199.35	199.45	198.35	199.25	—.30
212.30	184.50	Sep	203.45	203.60	202.50	203.45	—.40
213.00	200.00	Dec	206.70	207.20	206.70	207.20	—.95

Est. Sales Prev. Sales 6,013
Prev. Day Open Int. 8,419 up 256

NYSE COMP. INDEX (NYFE)
points and cents

111.15	90.00	Jun	109.70	109.90	109.40	109.80	
113.60	91.35	Sep	111.90	112.05	111.65	112.15	
115.50	101.20	Dec	113.90	114.15	113.70	114.

BNP Issues $600-Million Notes With New Twist

By Carl Gewirtz
International Herald Tribune

PARIS — Banque Nationale de Paris launched Monday $600 million of floating-rate notes with a new twist.

The purpose of the operation is to secure for the bank a $500-million line of credit that other banks are committed to provide over the next 10 years. The difference, however, between this credit line and standard backup credits is that the lenders will have a listed security which they can keep on their own books or sell in the market.

In contrast, standard backups are commitments that banks cannot get rid of. This "securitization" of the backup credit is an important development since banking authorities in all the major industrialized countries have let it be known that they are studying the proliferation of such credits with the aim being to oblige banks to account for these potential loans.

Backups do not show up on the balance sheets of banks until the line is actually drawn. Supervisors are concerned that in a crisis all lines could be called on — at exactly the time when banks would be most hard pressed to provide them.

Under the BNP formula, banks will still have to supply the cash if called on to do so, but they will have a security which, if necessary, could be sold.

The other significant aspect of the operation is that the cost of the backup is lower for BNP than a traditional syndicated backup credit.

Both U.S. rating agencies have said they will accept the BNP formula as backups for the sale of commercial paper in New York. In general, these standby facilities have been arranged to back the sale of short-term notes either in the New York commercial-paper market or the budding Eurocommercial-paper market.

Under the BNP formula, the French bank is marketing $600 million of 10-year notes of which only $100 million will be initially offered. These will be registered securities in large denominations of $1.5 million each, for which banks will be required to put up only 20 percent of the face value — or $250,000.

These registered securities can be sold, but only to other banks — the 250 largest banks in the world — which BNP has put on its approved list.

If and when BNP wants to call on some or all of the remainder, it is committed to draw not less than $100 million initially and not less than $50 million in subsequent drawings. These all will be standard bearer securities of floating rate notes which may be resold in the FRN market. By setting the size on subsequent drawings, BNP assures that the public issue will be large enough for there to be a liquid secondary market.

If and when the entire $500-million backup has been called on, the initial $100 million now being marketed will cease to be registered securities and will form part of the $600-million bearer-note issue.

Interest on the notes is set at 5 basis points over the London interbank offered rate, the standard measure for FRNs. Banks taking the $100 million of registered notes will be paid interest on the full $600 million, meaning they actually will be earning 30 basis points over Libor.

The remaining notes will be offered to banks at a discount, starting at 99 percent of face value the first year and rising to 99.10 percent next year and by 10 basis points in each subsequent year. This sliding discount will give banks an additional earning of 10 basis points on all subsequent drawings.

In all, BNP is paying commissions of 27.5 basis points with five held by lead manager Credit Suisse First Boston and 22.5 divided among all the managers.

The basic charges — a margin of 5 basis points over Libor plus the front-end fee — amounts to an annual cost of 7.75 basis points over Libor. By way of comparison, Electricité de France recently paid 8.75 basis points on its $750-million multi-option facility against which it call sell commercial paper. (Banks normally pay more for back-ups than other borrowers.)

Japan Raises Auto Exports To the U.S., And Surplus

The Associated Press

TOKYO — Japanese auto exports to the United States continued to soar on an annualized basis for a second consecutive month in May, and Japan posted its second highest monthly surplus in U.S. trade, the Finance Ministry reported Monday.

Japan exported goods worth $5.69 billion to the United States in May, and imported U.S. goods worth $2.28 billion, leaving a Japanese surplus of $3.41 billion, second only to the $3.46-billion surplus in April.

Before that, the previous high was $3.31 billion last September.

Japan's surplus in U.S. trade totaled nearly $37 billion for all of 1984, and American government officials have forecast a $50-billion surplus this year.

The ministry said car exports to the United States in May reached $1.79 billion, down from $2.09 billion in April but up 23.3 percent from May, 1984.

The April figure was up 20.5 percent from April, 1984.

In trade with the European Community in May, Japanese exports fell 9.7 percent from a year earlier to $1.42 billion and imports dropped 19.6 percent to $724.8 million, leaving a Japanese surplus of $696.6 million.

For all of 1984, Japan's surplus with the EC was about $10 billion.

Japan's exports to China in May rose 118.7 percent to $1.09 billion, while imports from China climbed 8.5 percent to $580 million, leaving a Japanese surplus of $506 million.

Plans for Global Trade Talks Progress

By Axel Krause
International Herald Tribune

STOCKHOLM — Trade and finance ministers of 21 nations agreed Monday to organize a meeting in the next three months aimed at beginning new world trade negotiations.

Mats Hallström, Sweden's minister for foreign trade and host of the three-day conference, termed the agreement "a significant breakthrough" in beginning new talks.

The ministers agreed that senior trade officials would meet some time before the end of September to "invigorate a process of negotiations" to follow, he said. The organizational meeting is expected to be held in Geneva under the auspices of the General Agreement on Tariffs and Trade.

One minister said that the way was cleared for agreement by a compromise proposal submitted by Brazil to separate the trade negotiations into major sectors — goods and services — which drew the support of many ministers.

The issue had threatened to be a major obstacle to progress at the conference. Twenty-three developing nations, led by Brazil and India, want any new trade talks to focus on goods, while some industrialized countries, including the United States, Japan and members of the European Community, want negotiations to include trade in services and high technology.

Michael B. Smith, the acting U.S. trade representative, said that "substantial progress" had been made here toward the Reagan administration's goal of starting negotiations between industrialized and developing countries belonging to GATT in 1986.

Ninety-two nations belong to the Geneva-based agency and about 35 apply its rules to trading.

Delegates to the organizational meeting would evaluate papers from participants outlining their priorities and goals for the negotiations and which would be submitted to GATT prior to the meeting itself, Mr. Hallström said. Several ministers said that they believed position papers could be submitted in the next several weeks.

"We know that 23 developing countries are ready, the U.S. is ready and we are ready" to begin preparations for the round, said Willy de Clercq, the EC commissioner for external relations and trade.

"It is not a great breakthrough but it is progress toward clarifying positions on trade," said Edith Cresson, France's minister of industry and foreign trade.

Over-the-Counter

June 10

NASDAQ National Market Prices

Gold Options (prices in $/oz.)

Prices	Aug.	Nov	Feb.
310	15.50-17.00	—	—
320	10.25-11.75	18.50-20.00	—
330	6.50- 8.00	14.00-15.50	20.75-22.25
340	3.75- 5.25	10.25-11.75	17.00-18.50
350	2.75- 4.25	7.50- 9.00	13.50-15.00
360	1.25- 2.50	5.50- 7.00	10.25-11.75
370	—	4.00- 5.50	8.00- 9.50

Gold 312.75 313.25

STOCK	US$	US$
DeVoe-Holbein International bv	5⅝	6⅝
City-Clock International nv	2¾	3¼

Quotes as of: June 10, 1985

Chinese Minister Cites Businesses Evading Tax

Agence France-Presse

BEIJING — About 40 percent of state enterprises and the majority of collective and individual business concerns in China's Hubei province are guilty of tax evasion, the country's justice minister, Zou Yu, said Sunday in an interview carried by the official Xinhua news agency.

Mr. Zou attributed this to a lack of knowledge about economic regulations, the report said.

Aquino Museum in U.S.

The Associated Press

NEWTON, Massachusetts — The house where Benigno S. Aquino Jr., the Philippine opposition leader, lived from 1980 until he returned in 1983 to Manila, where he was assassinated, will become a museum to house memorabilia and a library of the Philippines, the Benigno S. Aquino Memorial Foundation said Sunday.

Floating Rate Notes

June 7

Dollar

Non Dollar

Source : Credit Suisse-First Boston Ltd., London

BUSINESS ROUNDUP

Hanson Aims to Raise $638 Million

Reuters

LONDON — Hanson Trust PLC, a British diversified industrial holding company, said Monday it is raising £503 million ($638.8 million) through an issue of ordinary shares and an issue of convertible preference shares.

The issue terms are one new ordinary share for every six ordinary shares held at 185 pence each.

Also, ordinary shareholders and holders of Hanson 8-percent convertible unsecured loan stock dated 2004 to 2009 will be offered Hanson 5.75-percent convertible redeemable £1 preference shares.

The convertible preference shares are being issued at 100 pence each, Hanson said.

The company is raising about £359 million, net of expenses from the one-for-six rights issue, and about £144 million net from the issue of convertible preference shares.

The 185-pence rights subscription is payable as to 100 pence by July 4 and the final 85 pence by Sept. 27, 1985. The convertible preference share issue will also be partly paid, with 50 pence due by July 4 and the final 50 pence by Aug. 30, 1985.

Hanson said it expects to pay a final dividend for fiscal 1984/85 ending Sept. 30 of 2.7 pence an ordinary share, making 4.2 pence against 3.33 pence the previous year.

Holders of the newly issued ordinary shares will be entitled to the final dividend.

The 5.75-percent convertible preference shares will pay dividends on April 1 and Oct. 1. The shares will be convertible at the rate of one ordinary shares for every 2.4 convertible preference shares on Feb. 28 in any year from 1988. The redemption date is Oct. 1, 2005.

Hanson said its board believes the combination of ordinary shares offered at a discount to market price and convertible preference shares with an attractive yield gives shareholders an opportunity to increase their investment in the company on advantageous terms.

Hanson ordinary shares on the London Stock Exchange were last quoted Monday at 219 pence, down from 222 pence late Friday.

The company said the funding exercise will enable it to take greater advantage of opportunities and provide a strong stable platform for internal growth and possible further major acquisitions.

In the short-term, the proceeds will significantly reduce Hanson's borrowings. Cash spending on acquisitions since 1981 has totaled some £646 million.

Last week, Hanson reported pretax profit of £106.1 million, up from £64.4 million, for the six months ended March 31. Sales rose to £1.48 billion from £900.4 million.

AMC May Leave U.S. Plant Open

Compiled by Our Staff From Dispatches

DETROIT — The president of American Motors Corp., in a newspaper interview published here, has left open the possibility that the company's only U.S. assembly plant could continue to operate if unionized workers make concessions on wages and benefits.

The executive, Jose J. Dedeurwaerder, was quoted by The Detroit News on Sunday as saying AMC would build small cars overseas to replace the production from the plant at Kenosha, Wisconsin, if negotiations with the United Auto Workers aimed at reducing labor costs were unsuccessful. Negotiations were to resume Monday.

AMC, which is 46.4-percent owned by Renault, the French state-controlled automaker, filed legal notices last month with the state of Wisconsin and with more than 5,500 hourly employees of its intent to close the Kenosha plant by July 1, 1986. *(Reuters, IHT).*

COMPANY NOTES

Hitachi Ltd. plans to double its production of very large scale integrated chips at its factory in Dallas to 2.4 million chips in 1986, a company vice president said in Tokyo.

Internorth Inc. said it completed its $70-per-share tender offer last Friday for Houston Natural Gas Corp., receiving 31,170,888 shares, or 96.4 percent of the company's outstanding stock.

Kenilworth Systems Corp. said it was released from Chapter 11 proceedings under the U.S. bankruptcy code and would begin reorganization immediately. Kenilworth will issue 1,961,505 common shares in full settlement of all creditors' claims and legal proceedings. It will also pay $515,000 cash to governmental and other priority obligations.

Landis & Gyr AG of Zug, Switzerland, said incoming orders in the first half of the fiscal year ending Sept. 30, 1985, rose 13 percent to 807 million Swiss francs ($313.8 million). It said invoiced sales rose 20 percent to 744 million francs and production was up 16 percent at 768 million francs.

Peugeot SA has scrapped plans to build 4,000 luxury sports cars annually in Michigan with the coachbuilder Cars & Concepts, according to Automotive News, a trade newspaper in Detroit.

Ralston Purina Co. and Forstmann Little & Co. said they terminated their agreement signed last month under which Forstmann would have bought a Ralston unit, Foodmaker Inc., for $500 million. The two companies cited falling sales in the fast-food industry and a decline in earnings of Foodmaker, which includes the former Jack-inthe-Box restaurant chain.

Tandem Computer Inc. of Cupertino, California, said it would introduce in the third quarter of 1985 five new products that would allow customers to use Tandem networks to provide company-wide information systems. These systems would link users of a variety of incompatible personal computers, work stations, terminals, facsimile devices and local area networks.

Trio Kenwood Corp. plans a 1-for-10 or a 1-for-20 bonus stock issue to shareholders registered on May 20, 1986, a company spokesman said in Tokyo.

NTT, IBM Plan Computer Link

The Associated Press

TOKYO — Nippon Telegraph & Telephone Corp. and International Business Machines Corp. are jointly developing a system that would enable users of Japan's domestic communications network to connect with IBM's computer network abroad, NTT and IBM Japan spokesmen said Monday.

The two companies have completed basic research on providing such a link for domestic computer users.

Asahi Shimbun, the Japanese newspaper, reported Sunday that the aim of a tie-up between NTT and IBM would be to compete with a worldwide communications network planned by American Telephone & Telegraph Co.

Fed Interventions Cost $580 Million

The Associated Press

NEW YORK — The United States intervened on six occasions in currency markets in February and March, buying $580.2 million of Deutsche marks, Japanese yen and British pounds, the Federal Reserve Bank of New York said.

U.S. authorities had acknowledged in early March that they had intervened, but details of the operation were made public Friday in a report from the New York Fed.

It was the largest bout of U.S. intervention for any quarter since the February-April period in 1981, when $778 million worth of DM were purchased and $74.4 million in DM were sold by the United States.

Norway Oil Field Approved

Reuters

OSLO — Norway has approved plans to develop the second phase of the North Sea Gullfaks field which will produce 200,000 barrels of crude oil per day from 1990. The $4.5-billion development is aimed at offsetting a threatened investment loss.

Dollar's Rise Seen as Economic Threat

(Continued from Page 1)

most in the labor market but also elsewhere," the report said. "The sad conclusion is that, given the existing characteristics of labor and product markets, there is no *macro*-economic policy of any shape or combination capable, by itself, of leading simultaneously to full employment and price stability.

"Or, to put it more positively: The precondition for restoring the effectiveness of macroeconomic policies is a much greater flexibility of markets."

The report suggested, for example, that wage indexation based on price indexes be replaced by linking remuneration — at least in part — to the changing profitability of individual firms "somewhat along the lines of the bonus and overtime provisions applying in Japan, where fluctuations in labor income have gone hand in hand with relative job security."

"Only such a major departure from current practice could make it possible for labor to be priced into the market and for unemployment to be gradually swept away," the report said.

The BIS also expressed considerable disquiet about the speed and breadth of deregulation, innovation and despecialization that is transforming the international financial marketplace. This process, it said, "must be kept firmly under control, so as to ensure that it proceeds in an orderly and balanced way without suddenly exposing whole categories of financial intermediary to disruptive pressure."

The BIS is concerned that the operative efficiency of central banks' monetary policy may be undermined, that the "transparency" of markets and of the operations of individual institutions may become clouded.

Jean Godeaux, head of the Belgian central bank and chairman of the BIS, said in his personal comments to reporters that the complexity of the new hedging devices, such as interest rate and currency swaps, and the number of institutions engaged in the business "may make it hard for individual participants fully to understand the risks involved in them, and may also diminish the transparency of the international markets."

Mr. Godeaux and the annual report written by Alexandre Lamfalussy, general manager of the BIS, emphasized the need for banking authorities "to adjust the supervisory framework to this highly innovative and more competitive environment" and to coordinate these efforts internationally.

Futures Markets Are Nervous

(Continued from Page 13)

Why? "The consensus in the trade at this time," he said "is that options writers and buyers are equally convinced that something is going to give; that sooner or later either the dollar is going to retrace its advance of recent years, or it is going to weaken substantially. When? We don't know. But we do know markets abhor standoffs."

As for the economic influences on the dollar, such as the national budget and trade deficits, Mr. Blin said: "While all economic factors influence a currency's value, the biggest influence is the flow of capital between countries. As long as foreign investors look upon this country as the safest depository for their savings, many will continue to buy dollars for investment here."

But he noted that the overwhelming majority of options buyers follow technical indicators, and last week most were buying calls on the major European currencies.

Indeed, Edward Gotthelf and his son, Philip, who operate Commodex, one of the oldest technical market services, said their computers were signaling "buy and hold" on most foreign currencies. The organization in Guttenberg, New Jersey, which supplies technical data for brokerage houses and traders, uses a formula based on price and volume.

Saudis Devalue; Link Seen With Oil Earnings

Reuters

MANAMA, Bahrain — Saudi Arabia devalued its currency Monday for the third time this year, in what may be an attempt to compensate for falling oil revenues that are denominated in dollars, foreign-exchange dealers said.

The Saudi Arabian Monetary Agency adjusted the rate at which it sells dollars to commercial banks in Saudi Arabia, to 3.65 riyals to the dollar from 3.61. It was the largest shift in at least four years and took the riyal to levels against the dollar not seen since 1973, dealers said.

Producer Prices Rise in Britain

Reuters

LONDON — British producer prices rose 0.2 percent in May, after April's rise was revised to 1.2 percent from 1.1 percent, the government reported Monday.

Manufacturers' costs fell 1.1 percent in May after April's fall was revised to 3.2 percent from 2.5 percent. The year-on-year increase slowed to 3.6 percent from a revised 5.2 percent in April.

In another report, the government said retail sales rose a seasonally adjusted and provisional 1 percent in May, after April's 0.2-percent increase.

U.S. Refuses to Halt Icahn Bid for TWA

The Associated Press

WASHINGTON — The Department of Transportation refused Monday to intervene in Carl C. Icahn's attempted takeover of Trans World Airlines Inc., saying that the government should not be "drawn into takeover attempts or other management disputes."

The department denied a TWA request to order a halt in Mr. Icahn's attempt to control the airline or begin an investigation into whether the New York financier is fit to operate an airline.

Mr. Icahn has purchased nearly one-third of TWA's 34.5 million common shares and has said he wants to buy the rest as soon as possible at $18 a share.

Mexico Has Growth Pains

(Continued from Page 13)

the economy is starting to rebound and as an indication that the government is serious in reducing the protection of domestic industry, both lowering prices at home and making Mexican manufactured goods more attractive abroad. The largest gains were registered in semifinished goods and capital equipment, although consumer imports also jumped 22 percent.

Mexico's in-bond manufacturing industry — which gives tax advantages to foreign companies that assemble goods here for export — also is continuing to grow at a significant pace, according to Banco Nacional de México SA.

Lower interest rates in the United States stand to help Mexico in two ways, according to government officials and private economists.

They have reduced by about $1 billion the estimated $10 billion that Mexico was going to have to pay on its foreign debt this year.

In addition, officials hope that the low rates in the United States will reduce the flight of capital from Mexico, which some non-government economists estimate reached $2 billion in the last half of 1984 — considerably more than the government has acknowledged.

Even though the peso is currently being devalued at a rate of 25 percent a year, the rates being paid by Mexican banks and treasury issues — some in excess of 60 percent a year — now give a substantial advantage to those who keep and spend their money in Mexico.

The high rates, while discouraging to business, are also an indication of progress: the result of a new law that prevents the government from making up its deficits by simply forcing the central bank to print money, and requires it to seek its funds in the public credit markets.

"Little by little, we are coming out of it," one Mexican treasury official said of the crisis, "but it is a very slow process."

Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

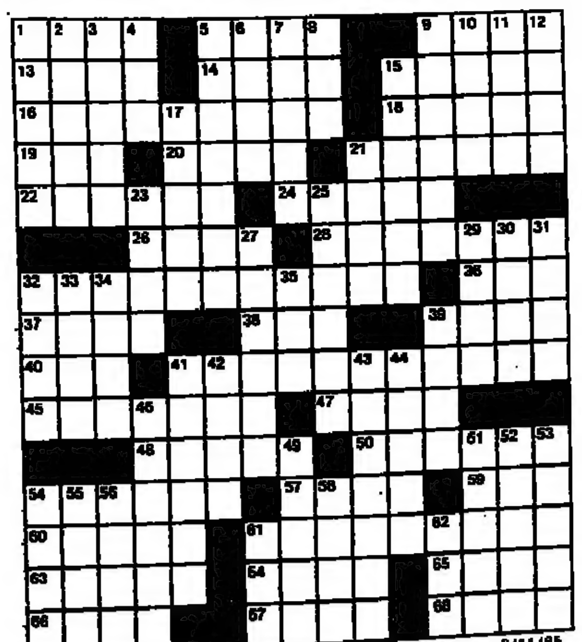
AMEX Highs-Lows June 10

NEW HIGHS 23

AfilPubl s, AmBiltr n, AmCapCo, BDM Intl s, CityGas Fla, ComfedSv, CrossAT, Crowley Mil, DowneySL, EmpireCorp, PGE 125pfC, PGE 1288pfY, PGE 262pfS, PGE 190pfI, PLtg 475pf, PerinInv pf, RayPalmCol, SeligmnAsc, SCE 221pf, TolEd 425pf, UnitIl n, VMS ShTrm n, Winthropin

NEW LOWS 13

ActonCo, Cetec Corp, ConsOG wt, DamsEngy B, EverJn B, EverJn B, Firstcorp n, HMG Propty, MichlEng, Pioneer Sv, Spencer Cos, Tortel, Vertiplle



6/11/85

ACROSS

1 Garage or yard event
5 Name meaning "I trust"
9 TV's Hawkeye Pierce
13 Hebrew prophet
14 Pizzeria fixture
15 Net
16 U.S. poet: 1899-1932
18 Airborne
19 Adjectival suffix
20 Holy season
21 Takes away forcibly
22 Diminutive
24 Plant spray
26 Sector
28 Fresh outbreak
32 Old-time tap dance
36 Put on years
37 Medicinal plant
38 County prosecutors: Abbr.
39 A bond
40 Australian ranch: Abbr.
41 Close-fitting cap
45 One of the ants
47 Abominable Snowman
48 Better's antithesis
50 Peers
54 Expeditious
57 Wander idly
59 Pierrot of song
60 Dish out
61 Dances attendance on
63 Seed coverings
64 "—— It Romantic?"
65 Musical Fountain
66 Ex-servicemen
67 Mrs. Truman
68 Dispatched

DOWN

1 Indian term of respect
2 Communal colony in Iowa
3 Actress Sophia
4 Mind-training system
5 Overseers
6 Netman Lendl
7 Fender-bender results
8 Wedded
9 Assert without proof
10 Papal names (13, in all)
11 Silly
12 Learned skills
15 Compassionate
17 Barton or Maass
21 British naval servicewoman
23 Gate receipts
25 Affectedly nice
27 Common vipers
29 Airing
30 Malarial fever
31 Sly glance
32 Large-mouthed game fish
33 Of the preceding mo.
34 Newcastle's surfeit
35 "The —— of the Worlds": Wells
39 Smooth-tongued
41 Radio tubes
42 Unearthly
43 They pay to stay
44 Molecule constituents
46 Lingers over, with "on"
49 Expunge
51 Place for a boutonniere
52 Overact
53 Strength
54 Croat or Slovene
55 Whittle
56 Do a magazine job
58 Confesses, with "up"
61 Tallish tale
62 Raises

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DENNIS THE MENACE

"I LIKED THIS STUFF BETTER LAST WEEK WHEN IT WAS NEW."

JUMBLE.

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

NEQUE
☐○☐☐○

AFTEC
○☐○☐☐

KRILLE
○☐○☐○☐

PELPIN
○○☐☐☐○

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: "○○○-○○○○○○○"

(Answers tomorrow)

Yesterday's | Jumbles: BEIGE PEONY DISCUS FORGET
Answer: What a murky fog gives drivers—THE "CREEPS"

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	25	77	17	63	cl
Amsterdam	15	59	9	48	o
Athens	31	88	22	72	fr
Barcelona	22	72	16	61	fr
Belgrade	20	68	9	48	fr
Berlin	16	61	11	52	o
Brussels	13	55	10	50	st
Bucharest	25	77	14	57	fr
Budapest	21	70	6	43	cl
Copenhagen	14	57	10	50	sh
Costa Del Sol	24	75	17	63	o
Dublin	14	57	6	43	sh
Edinburgh	16	61	7	45	sh
Florence	24	75	14	57	o
Frankfurt	14	57	8	46	o
Geneva	14	57	10	50	sh
Helsinki	17	63	6	43	fr
Istanbul	30	86	20	68	fr
Las Palmas	26	79	20	68	fr
Lisbon	25	77	15	59	fr
London	15	59	9	48	r
Madrid	25	77	9	48	fr
Milan	22	72	14	57	cl
Moscow	15	59	11	52	o
Munich	15	59	9	48	o
Nice	23	73	13	55	cl
Oslo	13	55	7	45	sh
Paris	15	59	12	54	cl
Prague	15	59	8	46	st
Reykjavik	10	50	5	41	r
Rome	23	73	16	61	fr
Stockholm	16	61	8	46	cl
Strasbourg	13	55	11	52	r
Venice	20	68	14	57	r
Vienna	21	70	10	50	cl
Warsaw	17	63	6	43	o
Zurich	15	59	11	52	r

MIDDLE EAST	HIGH C	HIGH F	LOW C	LOW F	
Ankara	29	84	10	50	fr
Beirut	—	—	—	—	na
Damascus	—	—	—	—	na
Jerusalem	27	81	16	61	fr
Tel Aviv	29	84	15	59	cl

OCEANIA	HIGH C	HIGH F	LOW C	LOW F	
Auckland	18	64	6	43	fr
Sydney	20	68	9	48	cl

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	26	79	o
Beijing	32	90	16	61	fr
Hong Kong	28	82	24	75	o
Manila	33	91	24	74	cl
New Delhi	37	99	26	79	fr
Seoul	27	81	18	64	o
Shanghai	28	82	20	68	cl
Singapore	32	90	25	77	o
Taipei	29	84	25	77	o
Tokyo	22	72	17	63	o

AFRICA	HIGH C	HIGH F	LOW C	LOW F	
Algiers	26	79	16	61	cl
Cairo	35	95	20	68	fr
Cape Town	17	63	13	55	o
Casablanca	24	75	15	59	cl
Harare	21	70	10	50	fr
Lagos	29	84	25	77	st
Nairobi	25	77	14	57	cl
Tunis	26	79	18	64	fr

LATIN AMERICA	HIGH C	HIGH F	LOW C	LOW F	
Buenos Aires	—	—	7	45	fr
Caracas	—	—	—	—	na
Lima	21	70	16	61	o
Mexico City	25	77	10	50	cl
Rio de Janeiro	25	77	10	50	cl

NORTH AMERICA	HIGH C	HIGH F	LOW C	LOW F	
Anchorage	17	63	6	43	fr
Atlanta	33	91	21	70	fr
Boston	29	84	16	61	fr
Chicago	25	77	12	54	pc
Denver	26	79	13	55	pc
Detroit	25	77	14	57	fr
Honolulu	30	86	21	70	fr
Houston	34	93	24	75	pc
Los Angeles	28	82	18	64	fr
Miami	33	91	23	73	fr
Minneapolis	21	70	8	46	cl
Montreal	20	68	13	55	pc
Nassau	31	88	24	75	pc
New York	29	84	18	64	fr
San Francisco	24	75	12	54	fr
Seattle	25	77	10	50	fr
Toronto	24	75	15	59	cl
Washington	31	88	17	63	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

TUESDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Cloudy. Temp. 16—8 (61—46). LONDON: Rain. Temp. 14—10 (57—50). MADRID: Cloudy. Temp. 26—10 (79—50). NEW YORK: Fair. Temp. 25—15 (77—59). PARIS: Rain. Temp. 16—10 (61—50). ROME: Cloudy. Temp. 25—15 (77—59). TEL AVIV: Cloudy. Temp. 30—17 (86—63). ZURICH: Cloudy. Temp. 16—10 (61—50). BANGKOK: Showers. Temp. 32—28 (90—82). HONG KONG: Cloudy. Temp. 29—26 (84—79). MANILA: Showers. Temp. 32—24 (90—75). SEOUL: Showers. Temp. 27—18 (81—64). SINGAPORE: Cloudy. Temp. 31—26 (88—79). TOKYO: Foggy. Temp. 21—17 (70—63).

PEANUTS

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ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD

BOOKS

THE HOUSE OF THE SPIRITS

By Isabel Allende; translated from the Spanish by Magda Bogin. 368 pages. $17.95.
Alfred A. Knopf, 201 East 40th Street, New York, N. Y. 10022.

Reviewed by Jonathan Yardley

THIS FIRST novel by a Chilean journalist comes to the United States after a great success, both commercial and critical, in Europe. At first glance it is tempting to suggest that this is explained by the author's minor celebrity — she is a niece of Salvador Allende Gossens, the leftist president of Chile who was ousted in 1973 by a military junta that described his subsequent death as a suicide — but the novel itself indicates otherwise. "The House of the Spirits" does contain a certain amount of rather predictable politics, but the only cause it wholly embraces is that of humanity, and it does so with such passion, humor and wisdom that in the end it transcends politics. It is also a genuine rarity, a work of fiction that is both an impressive literary accomplishment and a mesmerizing story fully accessible to a general readership.

Like so many other writers now at work in Latin America and elsewhere in the Third World, Isabel Allende is very much under the influence of Gabriel García Márquez, but she is scarcely an imitator. Like García Márquez, she has created a world that interweaves the real and the fantastic, she has devised a colorful, ironic language with which to describe it, and she has addressed herself to the contemporary Latin American political and social situation. But her narrative method is more conventional, her prose is less flamboyant, and her politics are less insistent. She is most certainly a novelist in her own right and, for a first novelist, a startlingly skillful, confident one.

Her story takes place in a "country of catastrophes," a "half-forgotten country at the end of the earth" that could be Chile or just about anywhere else in Latin America: a Latin Everyland where the wildness and mystery of nature are always close at hand, where the very rich and the very poor coexist in an uneasy intimacy that constantly threatens to dissolve into open conflict.

The very rich in this story are the family of Esteban Trueba, an energetic, willful man whose "most salient trait was his moodiness and a tendency to grow violent and lose his head"; the very poor are the peasants who farm his lavish estate in the countryside, for whom "time was measured in seasons, and thought by generations," who have been taught by hard experience "that in the end the fox always eats the hens, despite the subversive ballads that were traveling from mouth to mouth preaching just the opposite."

Esteban is the only character who lasts through the novel's beginning around the turn of the century until its conclusion some time near the present, yet he is not really its central character. That distinction is shared by three women: his wife, Clara, his daughter, Blanca, and his granddaughter, Alba. They are an extraordinary trio, of whom Clara is the most extraordinary. She is possessed of supernatural powers and as a girl is known as Clara the Clairvoyant because, among other things, she can "interpret dreams," "predict the future and recognize people's intentions," and "move objects without touching them."

What Esteban comes to understand at the end of his days is not that one side or the other was right, but merely that nothing is immutable, that "a world he had thought was good had crumbled at his feet." Allende has the tolerance and the wisdom to understand that there is lamentable human loss when any world crumbles, even if it was not a good one, and the cantankerous Esteban emerges at last as a deeply sympathetic figure.

"The House of the Spirits" rises above its evanescent political concerns. It is not about ideas or causes but about people, who move "down through the centuries in an unending tale of sorrow, blood and love." Allende has created a world out of the reality of Latin America and the fecundity of her own imagination. The result is a novel of force and immediacy, compassion and charm, spaciousness and vigor.

Jonathan Yardley is on the staff of The Washington Post.

Solution to Previous Puzzle

MATS MOTEL SLAB
USES ARARA PIMA
THREERINGCIRCUS
EEN SMOG RAISE
ANON TROTTED
JENNET ROANS
ECON DENSE LAP
THREELEGGEDRACE
SOD XENIA EDIT
SCOTS STEEDS
ATTAINS DEED
TAUNT RARE LET
THREEPIECESUITS
IONS ALIEN SETA
CEST TENSE ODER

6/11/85

CHESS

By Robert Byrne

THIS year's running of the traditional Sarjevo International Tournament in Yugoslavia was won by Smbat Lputian, a 27-year-old Soviet grandmaster. With a 10½-4½ score, Lputian surpassed Ulf Andersson, a 33-year-old Swedish grandmaster, by a half-point.

The Hungarian grandmaster, Zoltan Ribli came in third with 9½-5½.

In the 12th round, Lputian won a sharp encounter with the Yugoslav grandmaster Dragoljub Velimirovic.

However, it began inauspiciously when, in place of the two-edged 9 BPxP, Lputian played the quiet 9 KPxP, which aims to use White's advantage in space without allowing demanding counterplay.

This did not stop Velimirovic from offering a pawn with 11 . . . P-QN4?!; 12 PxP, B-N2 (12 . . . QNxQP?; 13 NxN, NxN; 14 B-Q4, wins the pinned knight); 13 B-QB4, P-QR3. Rather than concede dynamic play to Black by 14 PxP, BxRP; 15 BxB, RxB; 16 Q-Q3, Q-R1; 17 R-Q1, R-N1, Lputian ventured 14 P-N6!?

One point was that after 14 . . . N-N4; 15 Q-N3!, Black could not play 15 . . . QxP; since 16 P-QR4, Q-R4; 17 N-K2, N-K5; 18 B-B4 wins a piece.

Velimirovic's clever 25 . . . B-B4!? was an attempt to lure Lputian into trapping the black queen with 26 P-N3, QxR; 27 PxQ, BxB, which gives Black some chance for obscure complications after 28 R-N6, B-K5; 29 N-Q2, BxQP; 30 P-B4, B-K3. However, Lputian preferred to follow his own plan for winning.

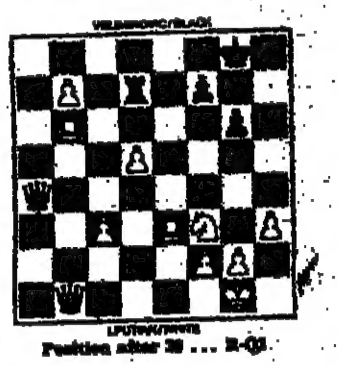
With 29 . . . R-Q2, Velimirovic threatened to recoup the vital pawn with 30 . . . Q-R2, yet Lputian discovered a sharp rebuff in 30 R-K2! Now, a defense by 30 . . . Q-QB5; 31 R-R2, QxQP; 32 R-R8!, R-Q1 (32 . . . RxR?; 33 PxR/Qch, QxQ; 34 R-N8ch wins the queen); 33 RxR, RxR; 34 Q-R1, Q-K3 (34 . . . RxP?, 35 Q-R8ch); 35 Q-R7, Q-K1 would not hold up against either 36 RxP or 36 R-B6.

Accordingly, Velimirovic chose 30 . . . BxP with the idea of sacrificing a rook by 35 . . . RxP to obtain perpetual check. But it was not in the position.

On 42 P-N3, there was no hope for Black in 42 . . . QxBP; 43 R-B7!, QxP; 44 RxPch, K-N4; 45 N-B3ch, K-R4; 46 R-B5ch!, PxR; 47 QxBPch.

After 45 Q-R8ch!, Velimirovic realized that 45 . . . K-B4; 46 Q-N2 denies perpetual check, so he gave up.

VELIMIROVIC/BLACK



LPUTIAN/WHITE

Position after 29 . . . R-Q2

BENONI DEFENSE

	White Lputian	Black Velimirovic		White Lputian	Black Velimirovic
1	P-Q4	N-KB3	24	Q-R3	B-Q2
2	P-QB4	P-B4	25	QxRP	B-B4
3	P-Q5	P-KN3	26	Q-R6	BxB
4	N-QB3	B-N2	27	QxB	KR-Q1
5	P-K4	O-O	28	R-N6	Q-QB5
6	N-B3	P-Q3	29	Q-N1	R-Q2
7	B-Q3	P-K3	30	R-K2	BxP
8	O-O	PxP	31	R-R2	Q-KB5
9	KPxP	N-R3	32	R-R8	R/2-Q1
10	P-KR3	N-B2	33	RxR	RxR
11	R-K1	P-QN4	34	R-B6	K-N2
12	PxP	B-N2	35	R-B6	RxP
13	B-QB4	P-QR3	36	QxR	Q-B8ch
14	P-N6	N-N4	37	K-R2	Q-B8ch
15	Q-N3	R-N1	38	K-R1	Q-B8ch
16	P-QR4	NxN	39	N-N1	B-K4
17	PxN	P-QR4	40	Q-K7	Q-KB5
18	B-KN5	B-B1	41	Q-R8ch	K-R2
19	QR-N1	P-R3	42	P-N3	Q-K3ch
20	BxN	QxB	43	K-R2	Q-K3
21	R-K3	Q-B5	44	K-N2	BxP
22	B-Q3	B-Q2	45	Q-R8ch	Resigns
23	P-N7	BxQRP			

World Stock Markets

Via Agence France-Presse June 10

Closing prices in local currencies unless otherwise indicated.

Amsterdam

	Close	Prev.
ABN	452	457.50
ACF Holding	212.50	210.50
Aegon	197.50	198.50
AKZO	110.80	111.40
Ahold	231	232.50
AMEV	248.60	252
A'Dam Rubber	8.50	8.30
Amro Bank	80.40	81.30
BVG	201.50	201
Buehrmann T	96	96
Caland Hldg	37.70	38
Elsevier-NDU	121	122.30
Fokker	129.30	128.50
Gist Brocades	189.20	190.50
Heineken	149	148.80
Hoogovens	60.90	61.10
KLM	63.30	62.60
Naarden	50	50
Nat Nedder	66.40	67.50
Nedlloyd	163	163.90
Oce Vander G	323.50	325
Pakhoed	64	64.50
Philips	56.40	56.60
Robeco	75.80	75.80
Rodamco	139.70	139.70
Rolinco	69.90	69.80
Rorento	46.20	46.20
Royal Dutch	193.70	196.10
Unilever	346.30	346.30
Van Ommeren	29.20	29.50
VMF Stork	199	201
VNU	206	206.50

AMP.CBS General Index: 213.40
Previous: 214.59

Brussels

	Close	Prev.
Arbed	1750	1760
Bekaert	6220	6200
Cockerill	233	236
Cobepa	3230	3220
EBES	3055	3095
GB-Inno-BM	3830	3890
GBL	1900	1920
Gevaert	3880	3990
Hoboken	5600	5610
Intercom	2260	2340
Kredietbank	9100	9150
Petrofina	6000	6000
Soc Generale	1930	1970
Sofina	7200	7250
Solvay	4470	4450
Traction Elec	3885	4060
UCB	5530	5550
Unerg	1720	1720
Vieille Montagne	6910	6850

Current Stock Index: 2369.76
Previous: 2383.54

Frankfurt

	Close	Prev.
AEG-Telefunken	133	132.50
Allianz Vers	1290	1315
Altana	344	345
BASF	221.90	224.30
Bayer	230	233.80
Bay Hypo Bank	351.70	356
Bay Vereinsbank	378	384
BBC	217	216.50
BHF-Bank	320	334
BMW	386.50	384
Commerzbank	205	211.50
Cont Gummi	148	150.40
Daimler-Benz	809	818
Degussa	340	341
Deutsche Babcock	161	164
Deutsche Bank	547	552
Dresdner Bank	227.50	232
GHH	150.80	151.70
Harpener	333	336.50
Hochtief	560	555
Hoechst	221.30	225.30
Hoesch	107.70	109.20
Horten	182	184
Hussel	285.10	285.20
IWKA	340	341
Kali + Salz	257	259
Karstadt	228	230
Kaufhof	238	240
Kloeckner H-D	262	263.50
Kloeckner Werke	68	69
Krupp Stahl	104	107.10
Linde	482	487
Lufthansa	196	199.50
MAN	157.80	159.50
Mannesmann	178.50	180.70
Muench Rueck	1740	1780
Nixdorf	591.50	593.50
PKI	585	603
Porsche	1243	1250
Preussag	282.50	285
PWA	146.30	148
RWE	168.80	168.50
Rheinmetall	296	296.50
Schering	470	470.20
SEL	359	351
Siemens	564.50	569
Thyssen	106	107
Veba	209	203
Volkswagenwerk	274.60	278
Wella	585	592

Commerzbank Index: 1,356.60
Previous: 1,363.40

Hong Kong

	Close	Prev.
Bk East Asia	24.90	24.40
Cheung Kong	16.40	16
China Light	15.60	15.30
Green Island	8.80	8.60
Hang Seng Bank	49.75	48
Henderson	2.025	2
China Gas	11	10.50
HK Electric	8.15	8.05
HK Realty A	12	11.60
HK Hotels	36.75	36
HK Land	5.60	5.50
HK Shang Bank	7.90	7.75
HK Telephone	98	95
HK Yaumatei	3.88	3.60
HK Wharf	6.25	6.28
Hutch Whampoa	24.30	23.70
Hysan	0.58	0.57
Int'l City	0.83	0.81
Jardine	11.50	11.40
Jardine Sec	11.90	12.60
Kowloon Motor	8.95	8.90
Miramar Hotel	37.50	36
New World	7.05	6.88
Orient Overseas	2.15	2.10
SHK Props	11.70	11.90
Stelux	2.875	2.75
Swire Pacific A	22.70	22.20
Tai Cheung	1.85	1.79
Wah Kwong	1.35	1.35
Wheelock A	7.25	7.25
Wing On Co	2.15	2
Winsor	5.10	5.05
World Int'l	2	1.95

Hang Seng Index: 1,571.87
Previous: 1,562.55

Johannesburg

	Close	Prev
AECI	775	775
Anglo American	2825	2910
Anglo Am Gold	16850	17250
Barlows	1190	1240
Blyvoor	1225	1320
Buffels	7300	7500
De Beers	1060	1060
Driefontein	4575	4750
Elands	1650	1725
GFSA	3300	3300
Harmony	2525	2625
Hiveld Steel	460	485
Kloof	7425	7600
Nedbank	1350	1380
Pres Steyn	5100	5150
Rusplat	1525	1560
SA Brews	785	800
St Helena	3300	3425
Sasol	695	698
West Holding	5800	5900

Composite Stock Index: N.A.
Previous: 1112.8

London

	Close	Prev.
AA Corp	$14⅛	$14½
Allied-Lyons	197	199
Anglo Am Gold	$83¼	$86¾
Ass Brit Foods	222	222
Ass Dairies	158	160
Barclays	382	379
Bass	544	557
B.A.T.	323	321
Beecham	373	373
BICC	225	225
BL	33	36
Blue Circle	528	528
BOC Group	302	307
Boots	186	180
Bowater Indus	298	300
BP	516	520
Brit Home St	297	300
Brit Telecom	189	193
Brit Aerospace	376	381
Britoil	218	220
BTR	375	383
Burmah	276	282
Cable Wireless	540	545
Cadbury Schw	162	164
Charter Cons	186	186
Commercial U	219	223
Cons Gold	529	534
Courtaulds	138	141
Dalgety	423	423
De Beers ¢	525	533
Distillers	290	292
Driefontein	$27¾	$24⅛
Fisons	365	373
Free St Ged	$23⅞	$24⅞
GEC	174	178
Gen Accident	608	606
GKN	230	233
Glaxo ¢	12 61/64	13
Grand Met	286	293
GRE	710	706
Guinness	280	281
GUS	850	850
Hanson	212	222
Hawker	437	439
ICI	762	764
Imperial Group	193	196
Jaguar	289	292
Land Securities	284	286
Legal General	748	740
Lloyds Bank	589	579
Lonrho	171	172
Lucas	311	308
Marks and Sp	136	137
Metal Box	405	403
Midland Bank	352	352
Nat West Bank	659	657
P and O	363	368
Pilkington	288	290
Plessey	132	134
Prudential	716	711
Racal Elect	184	188
Randfontein	$93¼	$95¼
Rank	343	345
Reed Intl	614	607
Reuters	362	365
Royal Dutch ¢	43¾	44 15/64
RTZ	574	577
Saatchi	700	728
Sainsbury	314	316
Sears Holdings	95	96½
Shell	685	690
STC	152	150
Std Chartered	464	454
Sun Alliance	455	458
Tate and Lyle	505	498
Tesco	256	260
Thorn EMI	434	447
T.I. Group	278	278
Trafalgar Hse	367	368
THF	134	136
Ultramar	220	220
Unilever ¢	11 19/64	11 11/32
United Biscuits	191	193
Vickers	283	283
Woolworth	393	400

F.T. 30 Index: 991.30
Previous: 1001.60
F.T.S.E. 100 Index: 1299.60
Previous: 1310.60

Milan

	Close	Prev.
Banca Comm	20440	20000
Centrale	3300	3339
Cigahotels	8750	8580
Cred Ital	2225	2210
Eridania	10000	10000
Farmitalia	14520	14150
Fiat	3261	3250
Finsider	Susp.	—
Generali	48380	47950
IFI	8020	8020
Italcementi	95000	94680
Italgas	1448	1430
Italmobiliari	83770	82000
Mediobanca	101000	99400
Montedison	1721	1719
Olivetti	6580	6580
Pirelli	2570	2577
RAS	71200	70490
Rinascente	845	848
SIP	2188	2180
SME	1575	1558
Snia	2271	2265
Standa	16800	16350
Stet	3098	3080

MIB Current Index: 1373
Previous: 1361

Paris

	Close	Prev.
Air Liquide	658	664
Alsthom Atl.	331.50	335
Av Dassault	1465	1428
Bancaire	678	673
BIC	567	583
Bongrain	2810	2835
Bouygues	840	853
BSN-GD	2583	2620
Carrefour	2255	2275
Chargeurs	597	616
Club Med	538	539
Darty	1381	1382
Dumez	704	708
Elf-Aquitaine	213.50	208
Europe 1	812	802
Gen Eaux	750	732
Hachette	1980	1995
Lafarge Cop	569	574
Legrand	2315	2315
Lesieur	775	719
l'Oreal	2685	2685
Martell	1775	1785
Matra	1942	1965
Merlin	2005	2120
Michelin	1051	1080
Moet Hennessy	1952	1980
Moulinex	93.40	95
Occidentale	762	764
Pernod Ric	787	805
Perrier	549	563
Petroles (fse)	247	251
Peugeot	402	380
Printemps	307	298
Radiotechn	311	296.50
Redoute	1390	1439
Roussel Uclaf	1697	1695
Sanofi	730	739
Skis Rossignol	1560	1551
Telemecan	2490	2520
Thomson CSF	544	544

Agefi Index: 221.76
Previous: 222.02
CAC Index: 230.7
Previous: 231.30

Singapore

	Close	Prev.
Cold Storage	2.52	2.49
DBS	6.10	6.05
Fraser Neave	5.25	5.20
How Par	2.27	2.24
Inchcape	2.42	2.42
Mal Banking	6.05	6.10
OCBC	9.20	9.05
OUB	3.22	3.26
OUE	N.Q.	—
Shangri-la	2.38	N.Q.
Sime Darby	1.99	1.97
S'pore Land	N.Q.	2.88
S'pore Press	6.15	6.10
S Steamship	1.10	1.10
St Trading	4.42	4.42
United Overseas	2.04	2.02
UOB	4.16	4.14

Straits Times Ind Index: 803.21
Previous: 808.32

Stockholm

	Close	Prev.
AGA	375	N.A.
Alfa Laval	181	178
Asea	335	335
Astra	415	N.A.
Atlas Copco	105	107
Boliden	180	180
Electrolux	262	260
Ericsson	299	299
Esselte	385	385
Handelsbanken	152	150
Pharmacia	189	189
Saab-Scania	350	N.A.
Sandvik	370	370
Skanska	88	88.50
SKF	203	203
SwedishMatch	198	198
Volvo	210	218

Affaersvaerlden Index: 369.9
Previous: 370.4

Tokyo

	Close	Prev.
Akai	405	410
Asahi Chem	1020	1010
Asahi Glass	875	870
Bank of Tokyo	838	836
Bridgestone	525	528
Canon	1120	1140
Casio	1590	1580
C.Itoh	421	421
Dai Nippon Print	1170	1190
Daiwa House	679	680
Daiwa Securities	900	906
Fanuc	7950	7990
Fuji Bank	1600	1600
Fuji Photo	1820	1790
Fujitsu	1050	1030
Hitachi	730	715
Hitachi Cable	650	650
Honda	1290	1290
Japan Air Lines	6850	6940
Kajima	328	340
Kansai Power	1890	1920
Kawasaki Steel	150	150
Kirin Brewery	700	701
Komatsu	460	468
Kubota	333	338
Kyocera	4500	4480
Matsu Elec Inds	1430	1420
Matsu Elec Works	800	805
Mitsubishi Bank	1620	1600
Mitsubishi Chem	506	519
Mitsubishi Elec	387	380
Mitsubishi Heavy	298	304
Mitsubishi Corp	650	660
Mitsui and Co	367	372
Mitsukoshi	590	590
Mitsumi	829	810
NEC	1070	1030
NGK Insulators	800	790
Nikko Sec	780	750
Nippon Kogaku	1200	1220
Nippon Oil	862	868
Nippon Steel	155	159
Nippon Yusen	298	309
Nissan	612	610
Nomura Sec	1210	1190
Olympus	1170	1150
Pioneer	1900	1840
Ricoh	949	935
Sharp	882	879
Shimazu	716	710
Shinetsu Chemical	801	810
Sony	4090	4060
Sumitomo Bank	1880	1880
Sumitomo Chem	259	260
Sumitomo Marine	710	720
Sumitomo Metal	150	153
Taisei Corp	263	276
Taisho Marine	515	510
Takeda Chem	878	865
TDK	4720	4550
Teijin	453	442
Tokyo Elec. Power	2100	2150
Tokyo Marine	920	945
Toppan Printing	845	861
Toray Ind	465	464
Toshiba	371	361
Toyota	1190	1190
Yamaichi Sec	782	778

Nikkei/D.J. Index: 12,683.34
Previous: 12,716.59
New Index: 1,004.98
Previous: 1,005.70

Zurich

	Close	Prev.
Adia	3050	3120
Alusuisse	801	800
Autophon	5250	5400
Bank Leu	3775	3800
Brown Boveri	1700	1720
Ciba Geigy	3165	3210
Credit Suisse	2665	2650
Electrowatt	2760	2770
Georg Fischer	845	860
Holderbank	745	745
Interdiscount	2240	2200
Jacob Suchard	6010	6050
Jelmoli	2280	2370
Landis Gyr	1740	1735
Moevenpick	4500	4550
Nestle	6280	6305
Oerlikon-B	1505	1510
Roche Baby	9225	9425
Sandoz	7385	7390
Schindler	4300	4375
Sulzer	357	397
SBC	407	412
Surveillance	3925	3945
Swissair	1180	1280
Swiss Reinsurance	1910	1908
Swiss Volksbank	1670	1685
Union Bank	3960	3995
Winterthur	5100	5125
Zurich Ins	2230	2260

SBC Index: 465.20
Previous: 467.90

N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

Toronto

June 7

Canadian stocks via AP

		High	Low	Close	Chge
2090	Abiti Prce	$19¼	19	19	— ¼
351	Acklands	$16	16	16	
215	Agnico E	$16⅛	16⅛	16⅛	— ⅛
2407	Agra Ind A	$8¼	8	8	— ¼
6725	Alt Energy	$20⅜	20⅛	20¼	— ¼
1025	Algo Cent	$22	22	22	
11999	Algoma St	$23	22⅝	22⅝	— ⅛
200	Andrs WA f	$25	24⅞	25	+ ½
2835	Argcen	$17¼	17⅛	17⅛	— ⅛
500	Asbestos	480	480	480	+ 5
2790	Atco I f	$9⅛	9	9⅛	
4820	BP Canada	$33⅛	32½	32½	— 1
28184	Bank BC	$5⅞	5¾	5⅞	
34921	Bank N S	$13⅝	13½	13½	— ⅛
35300	Barrick o	135	133	133	— 1
4575	Baton A f	$17⅛	17⅛	17⅛	— ⅛
7800	Bonanza R	400	395	395	
7500	Bralorne	450	445	445	— 5
5535	Bramalea	$19¼	19	19¼	+ ¼
700	Brenda M	$9	8⅞	9	
18360	BCFP	$9½	9¼	9¼	— ⅛
54725	BC Res	264	256	256	— 5
26089	BC Phone	$24⅛	23⅞	23⅞	— ⅛
2480	Brunswk	$14	13⅞	14	— ⅛
1500	Budd Can	$30	29½	30	+ ½
23340	CAE	$16⅝	16½	16⅝	— ⅛
4300	CDistb B f	$6½	6¼	6⅜	— ⅛
5899	Cad Fry	$15¼	15	15	— ⅛
554	C Nor West	$22⅞	22⅝	22⅝	+ ⅛
750	C Packrs	$29⅞	29½	29⅞	+ ⅜
4920	Can Trust	$37½	37⅛	37⅛	+ ⅛
1000	C Tung	$13⅛	12⅞	12⅞	— ⅛
66400	CI Bk Com	$35⅛	35	35⅛	— ⅛
300	Cdn Nat Res	29	28	29	— 1
009400	CTire A f	$10	9⅞	9⅞	+ ⅛
9300	Cara	$14⅛	14⅛	14⅛	— ⅛
11725	Celanese	$8⅝	8½	8½	
100	C Distb A	$6⅝	6½	6½	— ⅛
4300	CDistb B f	$6½	6⅛	6⅛	— ⅛
7550	CTL Bank	$11⅛	11	11	
8300	Conventrs	$6⅞	6½	6⅞	+ ⅛
2680	Conwest A	$9⅞	9⅞	9⅞	— ⅛
5175	Coseka R	325	320	320	—15
1900	Canron A	$13⅛	13	13	
43296	Crownx	$20⅛	20	20⅛	+ ⅛
19200	Czar Res	200	195	195	— 7
10958	Daon Dev	405	390	390	—15
18068	Denison A p	$13⅛	13	13⅛	+ ⅛
8948	Denison B f	$12⅞	11⅞	12	
3350	Develcon	$6⅞	6⅞	6⅞	
3712	Dicknsn A f	$6¼	6¼	6¼	
1142	Dicknsn B	$6⅛	6⅛	6⅛	— ⅛
1500	Doman A	225	225	225	
17422	Dofasco	$26⅝	26⅛	26⅝	+ ⅛
200	Du Pont A	$17⅜	17⅜	17⅜	+ ¼
7967	Dylex A	$44½	44	44½	+ ⅛
1726	Elcthm X	$5⅞	5⅞	5⅞	— ⅛
1615	Emco	$18¼	18⅛	18⅛	— ⅛
7800	Equity Svr	$7⅞	7⅛	7⅛	— ¼
1000	FCA Intl	$19	19	19	
250	C Falcon C	$17	17	17	— ⅛
64275	Ficnbrdge	$20⅛	20⅛	20⅛	— ⅛
1219	Fardy Res	300	300	300	— 5
3000	Fed Ind A	$24⅛	23⅞	24½	+ ¼
28800	F City Fin	$13⅛	13	13	— ⅛
9101	Fraser	$24½	24⅛	24½	+ ⅛
1000	Gendis A	$29¼	29¼	29¼	
170	Geac Comp	$10	10	10	+ ¼
15947	Geocrude	283	275	275	— 5
2900	Gibraltar	$8⅝	8⅝	8⅝	— ¼
3050	Goldcorp f	$6⅞	6¼	6¼	
100	Graff G	$38	38	38	— 1
4000	Grandma	67	67	67	— 3
500	Granduc	53	53	53	— 2
40284	GL Forest	$20½	20⅛	20⅛	— ⅜
60	Gt Pacific	$31	31	31	
2500	Greyhnd	$25¾	25½	25½	
1500	H Group A	$8⅞	8⅝	8⅝	
300	Hrding A f	162	162	162	— 8
820	Hawker	$20⅜	20⅛	20⅜	+ ⅛
48676	Hayes D	$11	10⅞	10⅞	
2671	H Bay Co	$19½	19½	19½	— ¼
98452	Imasco	$27⅛	27⅛	27⅛	+ ¼
600	Indal	$15¼	15⅛	15¼	+ ⅛
300	Inglis	$16¼	16	16	+ ¼
7063	Inland Gas	$21½	20⅞	21⅛	— ⅛
49750	Intl Thom	$9⅞	9⅞	9⅞	— ⅛
23041	Inter Pipe	$42⅛	41⅞	41⅞	— ⅛
866	Ivaco B	$19⅞	19⅞	19⅞	+ ⅛
11010	Jannock	$14⅞	14⅝	14⅝	— ⅛
1000	Kam Kotla	114	114	114	
300	Kelsey H	$39	39	39	
2964	Kerr Add	$17⅛	16⅞	17⅛	+ ⅛
18100	Labatt	$27⅞	27⅛	27⅛	
25586	Lac Minrls	$28⅛	28⅛	28¼	
3500	LOnt Cem	$13	12⅞	12⅞	— ⅛
3300	Lacana	$11½	11⅛	11⅛	— ⅛
1215	LL Lac	$62	61⅛	62	+ ⅛
1771	Loblaw Co	$20⅜	20	20	
4100	MDS H A	$18	18	18	
200	MICC	350	350	350	+20
122982	Mclan H X	$14⅝	14⅛	14⅛	
14692	Merland E	420	415	415	
9342	Molson A f	$17½	17⅛	17⅛	
8500	Molson B	$17½	17½	17½	
650	Murphy	$23	23	23	— ½
4922	Nabisco L	$27⅝	26½	27½	+ ⅜
170454	Noranda	$16¼	15⅞	16	
51850	Norcen	$15⅝	15⅜	15⅝	+ ⅛
115836	Nva AltA f	$6½	6⅜	6½	+ ⅛
2042	Nowsco W	$19⅝	18½	19½	— ½
33721	NuWst sa A	45	43	44	+ 1
4500	Oakwood	$8½	8½	8½	
11750	Oshawa A f	$29	28⅞	29	
300	Pamour	$8⅛	8⅛	8⅛	
2300	PanCan P	$34⅛	32	32	—2⅛
3100	Pembina	$17½	17	17	— ½
760	Phonix Oil	$8½	8⅜	8⅜	+ ⅛
660	Pine Point	$28	28	28	— ⅛
6658	Place GO o	140	132	132	— 8
8250	Placer	$24	23⅞	24	+ ⅛
42860	Provigo	$22½	22¼	22½	
1000	Que Sturg o	370	370	370	— 5
3000	Ram Pet	$7¼	7⅛	7¼	+ ⅛
1000	Ravrock f	$7⅜	7½	7⅛	— ⅛
4720	Redpath	$12¼	12	12	— ¼
42497	Rd Stenhs A	$21⅞	21⅛	21⅛	— ⅛
3832	Revn Prp A	195	185	195	+10
500	Rogers A	$9⅞	9½	9½	— ⅛
1100	Roman	$10	10	10	— ⅛
400	Rothman	$37	36⅛	36⅛	— ½
4951	Sceptre	$5⅝	5⅝	5⅝	
12900	Scotts f	$27	26⅞	26⅞	— ⅛
3615	Sears Can	$9⅞	9⅛	9⅛	+ ⅛
23065	Shell Can	$26⅛	26	26	— ⅛
35500	Sherritt	$7⅛	7	7⅛	+ ⅛
6212	Southm	$53⅛	53	53	
5800	St Brodcst	$19⅛	19⅛	19⅛	
31255	Stelco A	$20	19⅞	20	+ ¼
3721	Sulpetro	255	255	255	
950	Steep R	235	235	235	—10
200	Suncor pr	$24¼	24¼	24¼	— ⅛
51980	Sydney o	30	29	30	+ 1
4100	Talcorp	95	93	93	+ 1
2600	Taro	$20½	20	20¼	— ⅛
2904	Teck Cor A	$13⅞	13⅞	13⅞	+ ⅛
43004	Teck B f	$13⅛	13½	13⅞	+ ⅛
2950	Tex Can	$32⅝	32⅛	32⅛	+ ⅜
8536	Thom N A	$22⅝	21⅞	22	— ⅛
63661	Tor Dm Bk	$23⅛	23	23	— ⅛
104077	Torstar B f	$25⅛	25⅛	25¼	+ ¼
1431	Traders A f	$21⅛	21⅛	21⅛	
3525	Trns Mt	$12	11⅞	11⅞	— ⅛
700	Trinity Res	375	375	375	— 5
24159	TrnAlta UA	$26⅞	26⅛	26⅛	— ⅛
48362	TrCan PL	$28⅞	28	28⅛	— ⅜
5640	Trimac	440	430	430	— 5
200	Trizec A f	$26½	26¼	26¼	
396950	Turbo f	49	44	49	+ 7
100	Unicorp A f	$8	8	8	+ ⅛
580	Un Carbid	$11⅞	11⅛	11⅛	+ ⅛
28047	U Entprise	$12	11⅞	11⅞	— ⅛
1200	U Keno	$9½	9⅜	9½	
300	U Siscoe	95	95	95	— 5
200	Van Der	295	295	295	—10
9600	Versil A f	$5⅛	5	5	— ⅛
2000	Vestgron	$11	10⅞	11	— ⅛
1200	Weldwod	$14½	14⅛	14½	— ⅛
2000	Westmin	$14⅛	14	14	
735	Weston	$86	85½	86	
1474	Woodwd A	$18⅞	18⅝	18⅞	+ ⅛
18450	Yk Bear	$6⅝	6⅜	6⅜	— ⅛

Total Sales: 13,391,387 shares

	Close	Previous
TSE 300 Index:	2,738.10	2,720.70

Montreal

June 7

		High	Low	Close	Chge
95527	Bank Mont	$30⅛	29⅞	29⅞	— ⅛
100	CIL	$30½	30½	30½	
550	Con Bath	$16⅜	16⅛	16⅛	— ⅛
2273	Dom Txt A	$10⅜	10½	10½	
2650	Mnt Trst	$16⅛	16	16	— ⅛
105059	Nat Bk Cda	$20⅛	20	20	— ⅛
16900	Power Corp	$18⅝	18⅛	18⅛	
2425	Rolland A	$19⅝	19½	19½	— ⅛
25769	Royal Bank	$31	30⅝	30⅝	— ⅜
100	Roy Trst Co	$22	22	22	— ½
600	Steinbrg A	$41⅛	41⅛	41⅛	— ½

Total Sales: 1,769,197 shares

	Close	Previous
Industrials Index:	113.51	113.30

SPORTS

Boyd Again Blanks Orioles for Red Sox

Compiled by Our Staff From Dispatches

BALTIMORE — Dennis Boyd shut out the Baltimore Orioles again Sunday, and this time it was a bit of overkill.

Backed by 17 hits that included a home run by Jim Rice, Boyd pitched a three-hitter as the Boston Red Sox beat the Orioles, 12-0, for their seventh consecutive victory.

"I love facing the Orioles," said Boyd. "Some of their guys come to bat and grit their teeth against me."

BASEBALL ROUNDUP

Baltimore, the last team in the major leagues to be shut out this season, had not been blanked since Boyd turned the trick last Sept. 21.

But while losing all three games of this series the Orioles batted only .172, and went 3-for-31 with runners on base.

Mike Easler, batting .450 in his last 10 games, figured in three Boston rallies with two doubles and a single. Marty Barrett also had three hits and drove in three runs.

Rice, poked in the left eye when he collided with center fielder Steve Lyons while chasing a fly ball in the fifth, left the game in the seventh. The injury was not believed to be serious.

Tigers 8, Blue Jays 3: In Toronto, Nelson Simmons and Lou Whitaker each hit wind-aided homers and Kirk Gibson drove in three runs as Detroit won.

Mariners 10, Indians 6: Ken Phelps, Phil Bradley and Jim Presley each drove in three runs to help Seattle win in Cleveland.

White Sox 5, Twins 1: In Minneapolis, Tom Seaver scattered five hits for his 294th victory in the majors.

Brewers 9, Yankees 4: In Milwaukee, Jim Gantner and Ben Oglivie each hit two-run homers and Pete Vuckovich stopped New York on three hits for 6 2/3 innings.

Angels 1, Royals 0: Ron Romanick and Donnie Moore held Kansas City to eight hits in Anaheim, California, and Bob Boone singled in a run in the fourth inning as his team regained first place in the West.

Rangers 8-5, A's 4-6: In Oakland, California, Dave Kingman led off the bottom of the eighth with his 14th home run that gave the A's a split of the doubleheader. Gary Ward and Cliff Johnson each singled in runs during a five-run fifth as Texas won the first game.

Padres 5, Reds 3: In the National League, San Diego's Andy Hawkins scattered eight hits over seven innings in Cincinnati to run his record to 11-0 and teammate Graig Nettles homered. The Reds' player-manager, Pete Rose, went 2-for-5, and now is 48 hits shy of breaking Ty Cobb's record of 4,191.

Braves 10, Dodgers 3: Dale Murphy hit his NL-leading 14th homer and drove in three runs in Atlanta to help beat Los Angeles.

Cubs 5, Pirates 1: Jody Davis drew a bases-loaded walk and Chris Speier hit a two-run single during a four-run sixth in Chicago that gave the Cubs a four-game sweep of Pittsburgh. The Pirates have lost six straight.

Phillies 4, Expos 1: In Philadelphia, Glenn Wilson's three-run homer beat Montreal and ended a four-game losing streak.

Astros 5, Giants 0: Joe Niekro's two-hitter in Houston made him the winningest pitcher in Astros history — he has 138 victories with the team — and Mark Bailey hit a three-run homer for a three-game sweep of San Francisco.

Mets 6-2, Cards 1-8: In New York, George Foster and Rafael Santana each drove in two runs in in the first game but St. Louis won the second on Terry Pendleton's inside-the-park grand slam homer as Joaquin Andujar posted his 11th victory. *(AP, UPI)*

The Associated Press

Kareem Abdul-Jabbar left no doubt which team he thought was the best after the Lakers beat Celtics for NBA title.

Lakers Treasure Victory Long in Coming

Abdul-Jabbar Calls It 'Historic' End to Years of Frustration Against Celtics

By George Vecsey

New York Times Service

BOSTON — Kareem Abdul-Jabbar remembered it as if it were yesterday: "You always remember important things," he said.

He had just come home from the third grade to his family's apartment in Manhattan, in time to catch the sixth inning of the seventh game of the World Series.

"Gil McDougald was on base and Yogi hit one into the corner and Sandy Amoros turned it into a double play," he recalled. "Then Johnny P. shut 'em down the rest of the way."

Although he lived in Manhattan, the young Lew Alcindor, as he was named then, was a Brooklyn Dodgers fan, and he celebrated their victory the best way he knew: "I yelled out the window."

He may not have celebrated that demonstratively again until Sunday, when he came out of the game with 14 seconds remaining and waved both index fingers on either side of a huge grin. He was celebrating the first time the Los Angeles Lakers had beaten the Boston Celtics for the National Basketball Association title and he knew just how much that meant.

"This is historic," he said. "This is just like 1955."

The Brooklyn Dodgers lost five straight World Series to the New York Yankees and the Lakers had tried eight times without beating the Celtics in the final round.

"Boston has never lost one here," Abdul-Jabbar said. "Boston has never lost one to the Lakers. And Boston has never lost one to Kareem Abdul-Jabbar."

He and the Lakers had won championships, but only when the Celtics had not made it to the finals. And try as they might to deny it, the Lakers carried the burden of history into Sunday's game.

The championship banners hanging from the rafters, the retired numbers of all the great Celtic players, including the No. 21 of the Lakers' president, Bill Sharman, only served to remind the Lakers of the images of the two teams:

Boston: gritty, resourceful, proud. Los Angeles: flashy, brilliant, frustrated.

Every time Abdul-Jabbar skyhooked over an exhausted Robert Parish, every time James Worthy soared home with a dunk, every time Magic Johnson slipped a quick pass inside, it eased the psychic stigma the Lakers carried.

The victory over a weary five-man team with almost no healthy reserves cannot and should not obliterate the past: Sharman helping to sweep the old Minneapolis Lakers in 1959; Frank Selvy's shot hitting the rim in the seventh game in 1962; the charging foul against Elgin Baylor in the sixth game in 1963; the injury to Baylor in the five-game rout in 1965; the 32 rebounds by Bill Russell in the seventh game in 1966; the 25-point romp in the sixth game in 1968; the seventh-game loss in 1969 when the Lakers could not win with Jerry West, Baylor and Wilt Chamberlain, and the seventh-game loss in the Garden last year.

"Just think about Jerry," Abdul-Jabbar said, referring to West, the Lakers' general manager. "He was in seven of them."

The Lakers swept through the Western Conference playoffs, keeping their eye on Boston. They would not say it exactly this way, but the best championship of all would be over Boston.

Then they were "embarrassed, humiliated," in Abdul-Jabbar's words, in a 148-114 loss to open this series. But the Celtics' huge margin of victory was illusory.

After the fifth game, the Lakers knew the Celtics were staggering, but they could not count on having it easy in Boston Garden, where the stands rise close to the court and the fans scream ugly remarks at the visiting players.

But now the Celtics' 26-year domination was over.

And Abdul-Jabbar, the most valuable player in the series, reiterated that he would play only one more season, then retire. Because, he said, "There is a time for everything, and I feel time running right up my back."

For Celtics' Bird, the Pain Went Deep

By Steve Springer

Los Angeles Times Service

BOSTON — Those who thought Larry Bird was hurting before, with bone chips in his elbow and swelling in his right index finger, should have seen him Sunday.

This time, the hurt went much deeper. Right to the heart.

"When you lose, you're a failure," the Boston Celtics' star forward told the army of reporters that advanced on his locker stall in seemingly endless waves. "We played like a bunch of guys who failed. It took us over 100 games to get here, and we let it slip away. I feel bad for us. The crowd was there; the players were not.

"But what can you say? When you shoot 35 percent" — actually 36.5 percent — "it's time to lock up the building for the summer."

All the fingers in that Boston locker room were pointing inward Sunday. It was equal parts humility mixed with admiration for the guys in the other locker room. All the talk of the Los Angeles Fakers, the quiche eaters versus the blue-collar guys and showtime versus the work ethic had dissipated.

Bird also was critical of the new 2-3-2 format for the championship series, a format that gives the team with the second-best regular-season record the home court for the middle three games. In the past, the format has been 2-2-1-1-1.

> ' When you lose, you're a failure.'

"Next year, if they have a 2-3-2 format," he said, "we may lay down and go to sleep. It's not to our advantage. If it comes to that, I guarantee I will not be playing" at the end of the regular season. "I'll be resting."

Bird, who made just 12 of 29 shots Sunday, placed the major blame for his team's failure squarely on his own shoulders.

"I thought I could carry the team," he said, "but I was just out there. I thought I was ready to play. I thought it was my day. I couldn't believe the shots would not go in. I took 29 shots and every one that missed, I said to myself, 'The next one is going in.' But my shots were just falling short. I didn't play my game all day long. I've been the hero. You've got to be the goat sometimes."

Bird said the Lakers' Pat Riley is "an excellent coach. His strategy was very good. From game to game I had to keep changing what I was doing. It was unbelievable the way he coached."

He also thought about the Lakers' Kareem Abdul-Jabbar and said: "I just hope he retires after next year."

From the Mouths Of Babes. . . .

The Associated Press

FORT WORTH, Texas — If a first-grade class had its way, baseball's Texas Rangers would not get paid until they pull out of dead last in the American League West Division.

The team also should forgo television, late-night parties and Gatorade, according to Tanglewood Elementary School students.

Class members have won free Rangers tickets from the Fort Worth Star-Telegram newspaper for that sage advice, in a contest called "What's Wrong With the Rangers."

A sampling of other Tanglewood entries:

"Practice batting on a tee, like in tee-ball." Kelly Pugh.

"Make the players do 200 push-ups and sit-ups before each game." Tyler Monahan.

"Give each one a four-leaf clover." David Hatley.

"Use bigger balls and bigger bats." Lara Wallentine.

Evert Vs. Navratilova: Unparalleled Match in Tennis' Greatest Rivalry

By John Feinstein

Washington Post Service

PARIS — This is the era of exaggeration in sports. Good is labeled great and great is labeled unparalleled.

And yet, long after Saturday's French Open women's final, the consensus remained the same: Chris Evert Lloyd and Martina Navratilova had played a tennis match of unparalleled greatness.

The true wonder of Evert's marathon two hour and 52 minute, 6-3, 6-7 (4-7) 7-5 victory goes beyond the brilliance of the tennis the two women produced.

What made the match so special was the nature of this rivalry. Evert and Navratilova have traveled the world together for 11 years. They have been friends and champions. First, Evert dominated, then Navratilova.

Now, remarkably, just when it seemed the rivalry was over as a true competition, Evert has climbed back to make the two near equals again. She has won the last two Grand Slam titles and, in 1985, she and Navratilova have split their four matches.

"She's playing the best tennis of her life," Navratilova said. "She's actually improved at the age of 30."

Evert agreed. "I think we've made each other better," she said. "I made her improve her groundstrokes and her discipline. Then, when she passed me, I became very conscious of physical fitness and strength.

"Right now, I think we're both at or right near our peak as players." That was why the match "was so important to both of us. As many times as we've played, we're still trying to prove to each other that we're better."

What is perhaps most striking about this rivalry is what it means not only to them but to their sport. Evert admitted Thursday that she and Navratilova have talked about what might happen to women's tennis if they retired now, that they have discussed how long they should continue playing, how long it might be before worthy successors would emerge.

Beyond that, each says the other's presence keeps her going.

"I think it's very hard to stay interested if you're winning easily all the time," Evert said. "You need something to work for. Just winning and winning and winning easily can get boring after a while."

Without Evert, Navratilova might have become bored long ago. Without Navratilova, Evert might have retired by now. Now, Evert, who never thought she would still be playing at 30 — much less playing better than ever — talks about playing another year after this one.

Navratilova, who is 28, talks about the two of them exiting the game together. "I hope Chris hangs around for another couple of years," she said, moments after suffering a major disappointment at Evert's hands. "I'm sure whenever she retires, I'll follow shortly. The game won't be the same for me without her."

Certainly the game will never be the same without these two. Evert has now won 17 Grand Slam titles, Navratilova 11. Most of the records Evert does not hold were broken by Navratilova.

"This comes at an interesting time for me," Evert said of her victory. "I have thought about retirement, whether to play just this year or play another year. This kind of thing will make the rest of the year more fun and more exciting for me."

It also should give Navratilova something to shoot for. After winning six straight Grand Slam titles in 1983 and 1984, she has lost the last two. For the first time since 1982, Evert is close behind her for the No. 1 spot in the women's rankings.

More important, though, is the tennis the two have produced: The fact that each wants to beat the other so badly, even at a stage in their careers when they already have won everything there is to win, is a tribute to their competitiveness and to the respect each has for the other after so many years of battle.

"It was the kind of match where you knew the winner was going to be the happiest person in the world and the loser the saddest," Evert said Sunday from London. "It's amazing what winning a match like that does for you. I slept two hours last night and I've been working around our house all day. I don't feel a bit tired, I feel great."

People will remember Evert and Navratilova long after they stop playing. People will remember this match, the length of the rivalry, the great play and the graciousness.

"I'm proud I've been part of something like that," Evert said Sunday. "I still remember the first time I played her. It was in Akron, Ohio" in 1973. "I was 17 and she was 15. I had never heard of her and I walked on court and there was this little overweight girl.

"But she was strong. I had trouble with her serve and we ended up in a tie breaker in the first set before I won, 7-6, 6-1. But I was shocked by her. I thought then, 'If this girl ever gets into shape we're all in trouble.' "

They said that about Navratilova for years, until in 1981, several years after her defection from Czechoslovakia, she began to reach her potential. If she had not done that, Evert might have 25 Grand Slam titles. She might also be retired. And women's tennis would certainly not be the same.

"No one is bigger than the game," Evert said. "It went on without Court, without Billie Jean. It will go on when Martina and I retire. But I know our rivalry has made tennis a better game. That makes me feel good."

If Practice Makes Perfect, Wilander Prefers the Flaws

Washington Post Service

PARIS — Throughout the French Open, Mats Wilander was asked again and again whether he really wants to be the No. 1 player in the world. He is ranked No. 4 and Sunday's victory gave him four Grand Slam titles, two French, two Australian, at the age of 20.

But some, including the top-ranked John McEnroe, have wondered aloud if Wilander wants a top ranking. Wilander admits he does not like to practice and often is bored by tennis. "I'm not going to practice eight hours a day," he said. "I want to win tournaments, especially big ones like this, but I won't practice eight hours a day."

Would he be willing to try a special diet, like the ones Martina Navratilova and Ivan Lendl have used, to get into better physical condition?

"I don't think I want to do that," he said, smiling. "Anyway, I think this tournament shows that maybe it's not such a good idea, since both of them lost in the finals."

No diet. No eight hours a day. And what about Sunday night? "Tonight I have plans for," he said. "But nothing I can tell you about."

Truly an athlete with the right priorities.

— John Feinstein

SCOREBOARD

Baseball

Sunday's Major League Line Scores

NATIONAL LEAGUE

Montreal	000 000 010—1	7 1
Philadelphia	310 000 00x—4	6 0

Hesketh, St. Claire (6), Burke (8) and Butera; Gross, Carman (8), Tekulve (8) and Diaz. W—Gross, 5-6. L—Hesketh, 5-3. Sv—Tekulve (4). HR—Philadelphia, Wilson (5).

St.Louis	001 000 000—1	7 0
New York	200 000 13x—6	6 1

(First Game)

Forsch, Horton (7), Campbell (7), Dayley (8) and Hunt, Nieto (7); Gooden, Orosco (9) and Carter. W—Gooden, 9-3. L—Forsch, 4-4.

St.Louis	201 140 000—8	14 1
New York	000 000 200—2	7 1

(Second Game)

Andujar and Nieto; Schiraldi, Sambito (4), Sisk (7), Gorman (9) and Carter, Hurdle (6). W—Andujar, 11-1. L—Schiraldi, 2-1. HRs—St. Louis, Pendleton (2). New York, Hurdle (1).

San Diego	000 010 040—5	9 0
Cincinnati	100 000 002—3	12 0

Hawkins, Gossage (8) and Kennedy; Soto, Robinson (8), Pastore (9) and Knicely. W—Hawkins, 11-0. L—Soto, 8-4. HR—San Diego, Nettles (5).

Pittsburgh	000 001 000—1	6 1
Chicago	000 004 10x—5	8 1

Winn, holland (6), Robinson (6) and Pena; Ruthven, Brusstar (7) and Davis. W—Ruthven, 3-4. L—Winn, 1-1. Sv—Brusstar (1).

Los Angeles	010 000 200—3	9 5
Atlanta	201 011 32x—10	13 2

Valenzuela, Diaz (6), Howe (7) and Sciascia; Shields, Forster (7) and Owen. W—Shields, 1-0. L—Valenzuela, 5-6. Sv—Forster (1). HRs—Los Angeles, Marshall (9), Anderson (2). Atlanta, Murphy (14).

San Francisco	000 000 000—0	2 1
Houston	010 103 00x—5	10 0

LaPoint, Minton (7), Garrelts (8) and Trevino; Niekro and Ashby, Bailey (5). W—Niekro, 3-6. L—LaPoint, 2-6. HR—Houston, Bailey (3).

AMERICAN LEAGUE

Detroit	101 204 000—8	11 1
Toronto	101 001 000—3	6 1

Bair, Scherrer (6), Hernandez (8) and Parrish; Clancy, Lamp (6), Acker (7), Musselman (9) and Whitt, Martinez (7). W—Bair, 1-0. L—Clancy, 2-3. HRs—Detroit, Whitaker (7), Simmons (3).

New York	100 000 300—4	9 2
Milwaukee	120 012 21x—9	13 0

Niekro, Armstrong (6) and Wynegar; Vuckovich, Searage (7), Ladd (8) and Simmons. W—Vuckovich, 2-2. L—Niekro, 7-4. Sv—Ladd (1). HRs—New York, Henderson (6). Milwaukee, Gantner (2), Oglivie (2), Giles (1).

Boston	000 220 017—12	17 0
Baltimore	000 000 000—0	3 1

Boyd and Sax; Davis, Snell (6), T.Martinez (8), Aase (9), Dixon (9) and Rayford. W—Boyd, 7-4. L—Davis, 2-2. HR—Boston, Rice (11).

Seattle	021 150 010—10	13 1
Cleveland	100 010 400—6	9 3

Wills, Vande Berg (7), Nunez (7) and Scott; Schulze, Clark (4), Thompson (8) and Willard, Bando (8). W—Wills, 1-0. L—Schulze, 3-4. Sv—Nunez (6). HRs—Seattle, Phelps (7), Presley (12).

Chicago	011 011 100—5	10 1
Minnesota	001 000 000—1	6 1

Seaver, Fallon (8), Nelson (9) and Hill, Fisk (8); Schrom, Wardle (7), Eufemia (9) and Salas. W—Seaver, 6-4. L—Schrom, 4-5. HRs—Chicago, Salazar (5). Boston (2). Minnesota, Teufel (4).

Kansas City	000 000 000—0	8 0
California	000 100 00x—1	6 0

Jackson and Wathan; Romanick, Moore (8) and Boone. W—Romanick, 7-2. L—Jackson, 4-3. Sv—Moore (12).

Texas	210 050 000—8	8 1
Oakland	002 002 000—4	12 2

(First Game)

Noles, Harris (8) and Brummer; Krueger, Warren (5) and Heath. W—Noles, 3-6. L—Krueger, 4-6.

Texas	010 002 200—5	8 0
Oakland	021 011 01x—6	10 2

(Second Game)

Hooton, Welsh (7) and Slaught; McCatty, Kaiser (7), Howell (7) and Tettleton, Heath (9). W—Howell, 4-3. L—Welsh, 0-1. HRs—Texas, Harrah (3). Oakland, Davis (14), Murphy (8), Kingman (14), Bochte (1).

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Toronto	36	18	.667	—
Baltimore	29	24	.547	6½
Detroit	29	24	.547	6½
Boston	28	25	.528	7½
New York	27	25	.519	8
Milwaukee	26	25	.510	8½
Cleveland	19	36	.345	17½

West Division

	W	L	Pct.	GB
California	29	25	.537	—
Chicago	27	24	.529	½
Kansas City	28	25	.528	½
Oakland	25	28	.472	3½
Seattle	25	30	.455	4½
Minnesota	23	30	.434	5½
Texas	21	33	.389	8

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Chicago	32	19	.627	—
New York	31	21	.596	1½
Montreal	32	23	.582	2
St. Louis	29	25	.537	4½
Philadelphia	19	34	.358	14
Pittsburgh	17	35	.327	15½

West Division

	W	L	Pct.	GB
San Diego	32	21	.604	—
Cincinnati	29	25	.537	3½
Houston	29	25	.537	3½
Los Angeles	27	28	.491	6
Atlanta	22	30	.423	9½
San Francisco	20	33	.377	12

Major League Statistical Leaders

AMERICAN LEAGUE

	G	AB	R	H	Pct.
Bradley Sea	55	220	33	74	.336
Cooper Mil	48	194	23	64	.330
Henderson NY	39	153	39	50	.327
Whitaker Det	50	199	40	65	.327
Gedman Bsn	48	164	28	53	.323
Buckner Bsn	63	214	25	68	.318
Davis Oak	50	178	43	56	.315
Molitor Mil	50	194	37	61	.314

Runs: Ripken, Baltimore, 45; M.Davis, Oakland, 43; Whitaker, Detroit, 40; R.Henderson, New York, 39; Molitor, Milwaukee, 37.

RBIs: Mattingly, New York, 44; E.Murray, Baltimore, 41; Baylor, New York, 40; K.Gibson, Detroit, 39; M.Davis, Oakland, 38.

Hits: P.Bradley, Seattle, 74; Buckner, Boston, 68; Hatcher, Minnesota, 68; Butler, Cleveland, 67; Puckett, Minnesota, 67.

Doubles: Butler, Cleveland, 17; Buckner, Boston, 16; Gaetti, Minnesota, 16; Mattingly, New York, 15; Franco, Cleveland, 14.

Triples: Wilson, Kansas City, 10; Cooper, Milwaukee, 7; Puckett, Minnesota, 6; Butler, Cleveland, 4; P.Bradley, Seattle, 4; Pettis, California, 4.

Home Runs: Armas, Boston, 14; Fisk, Chicago, 14; Kingman, Oakland, 14; M.Davis, Oakland, 14; Brunansky, Minnesota, 13.

Stolen Bases: Pettis, California, 25; Collins, Oakland, 19; R.Henderson, New York, 19; Butler, Cleveland, 18; Garcia, Toronto, 15; Moseby, Toronto, 15.

PITCHING

Won-Lost/Winning Pct./ERA (5 decisions): Alexander, Toronto, 7-2, .778, 3.99; Romanick, California, 7-2, .778, 3.14; Terrell, Detroit, 6-2, .750, 4.62; Haas, Milwaukee, 5-2, .714, 2.42; Codiroli, Oakland, 7-3, .700, 4.38.

Strikeouts: Morris, Detroit, 80; Boyd, Boston, 74; F.Bannister, Chicago, 68; Hough, Texas, 63; Blyleven, Cleveland, 62; Clemens, Boston, 62.

Saves: B.James, Chicago, 12; D.Moore, California, 12; J.Howell, Oakland, 12; Hernandez, Detroit, 11; Quisenberry, Kansas City, 11.

NATIONAL LEAGUE

	G	AB	R	H	Pct.
Herr StL	53	201	38	76	.378
McGee StL	48	181	36	65	.359
Cruz Htn	44	167	22	55	.329
Murphy Atl	52	191	37	61	.319
Gwynn SD	53	214	36	68	.318
Parker Cin	54	211	27	65	.308
Walling Htn	47	149	22	45	.302
Rose Cin	45	156	27	47	.301

Runs: Coleman, St.Louis, 41; Herr, St.Louis, 38; Murphy, Atlanta, 37; Gwynn, San Diego, 36; McGee, St.Louis, 36.

RBIs: Herr, St.Louis, 50; J.Clark, St.Louis, 46; Murphy, Atlanta, 42; Parker, Cincinnati, 39; McReynolds, San Diego, 36.

Hits: Herr, St.Louis, 76; Gwynn, San Diego, 68; McGee, St.Louis, 65; Parker, Cincinnati, 65; Garvey, San Diego, 64.

Doubles: Parker, Cincinnati, 16; Gwynn, San Diego, 15; Herr, St.Louis, 15; Wallach, Montreal, 14; J.Clark, St.Louis, 13; J.Davis, Chicago, 13; Madlock, Pittsburgh, 12.

Triples: McGee, St.Louis, 6; Raines, Montreal, 5; C.Reynolds, Houston, 4; Gladden, San Francisco, 4; Gwynn, San Diego, 4; M.Wilson, New York, 4; Samuel, Philadelphia, 4.

Home Runs: Murphy, Atlanta, 14; Cey, Chicago, 11; J.Clark, St.Louis, 11; Garvey, San Diego, 9; Marshall, Los Angeles, 9; Parker, Cincinnati, 9.

Stolen Bases: Coleman, St.Louis, 41; McGee, St.Louis, 24; Gladden, San Francisco, 19; Dernier, Chicago, 18; Lopes, Chicago, 18.

PITCHING

Won-Lost/Winning Pct./ERA (5 decisions): Hawkins, San Diego, 11-0, 1.000, 2.79; Andujar, St.Louis, 11-1, .917, 2.63; Knepper, Houston, 6-1, .857, 3.65; Trout, Chicago, 6-1, .857, 1.79; Darling, New York, 5-1, .833, 2.37; Hershiser, Los Angeles, 5-1, .833, 2.41; McDowell, New York, 5-1, .833, 2.62.

Strikeouts: Gooden, New York, 105; Ryan, Houston, 87; Valenzuela, Los Angeles, 81; J.DeLeon, Pittsburgh, 80; Soto, Cincinnati, 79.

Saves: Reardon, Montreal, 17; Gossage, San Diego, 13; Le.Smith, Chicago, 13; D.Smith, Houston, 10; Sutter, Atlanta, 9.

Basketball

NBA Title Series

GAME 6

Los Angeles	28	27	27	29—111
Boston	26	29	18	27—100

LOS ANGELES

	fg	fga	ft	fta	r	a	pf	pts
Rambis	4	5	1	2	10	0	3	9
Worthy	11	15	6	9	3	3	0	28
Abdul-Jbbr	13	21	3	4	7	4	6	29
Scott	6	13	2	4	5	3	1	14
E.Johnson	5	15	4	4	10	14	5	14
Cooper	2	4	5	5	3	2	4	9
McAdoo	1	5	0	0	1	1	1	2
Kupchak	1	5	4	6	5	2	3	6
McGee	0	1	0	2	0	0	1	0
Tem Rbnds					10			
Totals	43	84	25	36	54	27	24	111

BOSTON

	fg	fga	ft	fta	r	a	pf	pts
McHale	11	18	10	13	14	1	6	32
Bird	12	29	4	5	10	3	3	28
Parish	5	14	4	6	11	3	4	14
D.Johnson	3	15	5	6	7	4	4	11
Ainge	3	16	0	0	4	11	5	6
Wedman	2	3	2	2	3	2	3	7
Kite	1	1	0	0	3	0	2	2
Tem Rbnds					10			
Totals	37	96	25	32	64	24	27	100

Three Point Goals: Wedman. Technicals: Los Angeles Coach Riley.

Attendance: 14,890.

Golf

BRITISH MASTERS TOURNAMENT

Top finishers in the British Masters Golf Tournament, which concluded Sunday in Woburn, England:

Lee Trevino, U.S.	74-68-69-67—278
Rodger Davis, Australia	73-67-68-73—281
Nick Faldo, Britain	72-73-69-69—283
Paul Way, Britain	73-68-75-67—283
Severiano Ballestrs, Spain	71-68-74-70—283
Ian Baker-Finch, Australia	70-70-72-73—285
Roger Chapman, Britain	70-68-75-72—285
Hugh Baiocchi, Sth Africa	74-70-73-69—286
Vicente Frnndz, Argentina	69-72-72-73—286
Brnhrd Langer, W. Germany	72-74-71-70—287
Eamon Darcy, Ireland	76-71-69-71—287
Gordon Brand, Britain	77-69-66-75—287

WESTCHESTER CLASSIC

Top finishers and earnings in the Westchester Golf Classic, which concluded Sunday on the 6,722 yard, par-71 Westchester Country Club course in Harrison, New York (x-won sudden death playoff):

x-Roger Maltbie, $90,000	70-63-72-70—275
Ray Floyd, $44,000	69-72-69-65—275
George Burns, $44,000	66-66-73-70—275
Mark Wiebe, $24,000	68-72-70-67—277
Willie Wood, $20,000	72-66-71-70—279
Peter Jacobsen, $18,000	74-68-69-69—280
Barry Jaeckel, $15,583	72-69-69-71—281
J.C. Snead, $15,583	70-68-72-71—281
Wayne Levi, $15,583	72-71-65-73—281
Don Pooley, $13,000	68-74-70-70—282
Tony Sills, $13,000	70-71-71-70—282
Jim Gallagher, $8,937	73-72-71-67—283
Mike Smith, $8,937	72-69-72-70—283
David Graham, $8,937	73-68-72-70—283
Craig Stadler, $8,937	71-71-71-70—283
Donnie Hammond, $8,937	75-69-68-71—283
Mike McCullough, $8,937	72-70-68-73—283
Joey Sindelar, $8,937	71-72-66-74—283
Clarence Rose, $8,937	70-66-70-77—283

Series Composite Box

Los Angeles	175	188	172	160—695
Boston	178	171	155	175—679

LOS ANGELES

	fg	fga	ft	fta	r	a	pf	pts
Abdl-Jbbr	67	111	20	26	54	31	27	154
Worthy	57	101	28	40	27	19	14	142
E.Johnsn	41	83	27	31	41	84	16	110
Scott	30	76	5	9	22	15	12	67
Cooper	20	34	19	21	12	22	16	61
McAdoo	22	59	5	7	18	5	22	49
Rambis	19	38	7	13	51	5	14	45
Kupchak	11	28	9	14	20	4	19	31
McGee	5	10	6	9	3	5	5	19
Spriggs	6	10	2	4	7	6	4	14
Lester	0	2	2	2	0	1	1	2
Nevitt	0	0	1	2	0	0	0	1
Tem Rbnds					53			
Totals	278	543	131	178	302	192	152	695

BOSTON

	fg	fga	ft	fta	r	a	pf	pts
McHale	58	97	40	55	64	8	20	156
Bird	53	118	34	40	53	30	14	143
Parish	36	79	27	35	54	12	16	100
D. Jhnsn	39	102	18	21	26	57	13	96
Ainge	29	70	6	8	18	42	20	66
Wedman	22	36	5	9	20	10	19	56
Williams	7	14	0	0	1	11	6	14
Maxwell	3	6	7	10	5	1	4	13
Buckner	6	11	0	0	6	8	9	12
Kite	4	9	1	2	10	3	10	9
Carr	3	8	0	0	1	0	1	7
Clark	1	2	2	2	1	3	1	4
Tem Rbnds					75			
Totals	263	552	140	182	322	185	133	679

Three Point Goals: Los Angeles—McGee 3, Cooper 2, Scott 2, E. Johnson 1. Boston—Wedman 7, Bird 3, Ainge 2, Carr 1. Technicals: Boston—Ainge, D. Johnson, Bird, McHale, Williams (ejected), illegal defense, Head Coach Jones 2 (ejected). Los Angeles—McAdoo, E.Johnson, Head Coach Riley 2, illegal defense, Rambis.

CELTICS-LAKERS CHAMPIONSHIPS

Results in previous NBA championship series in which the Celtics and Lakers have met:

1984-85—L.A. Lakers def. Boston Celtics, 4-2
1983-84—Boston Celtics def. L.A. Lakers, 4-3
1968-69—Boston Celtics def. L.A. Lakers, 4-3
1967-68—Boston Celtics def. L.A. Lakers, 4-2
1965-66—Boston Celtics def. L.A. Lakers, 4-3
1964-65—Boston Celtics def. L.A. Lakers, 4-1
1962-63—Boston Celtics def. L.A. Lakers, 4-2
1961-62—Boston Celtics def. L.A. Lakers, 4-3
1958-59—Celtics def. Minneapolis Lakers, 4-0

NBA CHAMPIONS

1984-85—Los Angeles Lakers
1983-84—Boston Celtics
1982-83—Philadelphia 76ers
1981-82—Los Angeles Lakers
1980-81—Boston Celtics
1979-80—Los Angeles Lakers
1978-79—Seattle SuperSonics
1977-78—Washington Bullets
1976-77—Portland Trail Blazers
1975-76—Boston Celtics
1974-75—Golden State Warriors
1973-74—Boston Celtics
1972-73—New York Knicks
1971-72—Los Angeles Lakers
1970-71—Milwaukee Bucks
1969-70—New York Knicks
1968-69—Boston Celtics
1967-68—Boston Celtics
1966-67—Philadelphia 76ers
1965-66—Boston Celtics
1964-65—Boston Celtics
1963-64—Boston Celtics
1962-63—Boston Celtics
1961-62—Boston Celtics
1960-61—Boston Celtics
1959-60—Boston Celtics
1958-59—Boston Celtics
1957-58—St. Louis Hawks
1956-57—Boston Celtics
1955-56—Philadelphia Warriors
1954-55—Syracuse Nationals
1953-54—Minneapolis Lakers
1952-53—Minneapolis Lakers
1951-52—Minneapolis Lakers
1950-51—Rochester Royals
1949-50—Minneapolis Lakers
1948-49—Minneapolis Lakers
1947-48—Baltimore Bullets
1946-47—Philadelphia Warriors

Transition

BASEBALL

American League

KANSAS CITY—Signed Brian McRae, shortstop, and assigned him to Sarasota of the Gulf Coast League.

National League

PHILADELPHIA—Designated Pat Zachry, pitcher, for assignment.

PITTSBURGH—Reactivated Joe Orsulak, outfielder. Optioned Trench Davis, outfielder, to Hawaii of the Pacific Coast League.

Soccer

WORLD CUP QUALIFYING

South American Group One

Argentina 3, Venezuela 0
Peru 0, Colombia 0

Points Standings: Argentina 6; Colombia, Peru 3; Venezuela 0. Next Matches: June 16, Peru vs. Venezuela, Argentina vs. Colombia; June 23, Venezuela vs. Colombia, Peru vs. Argentina; June 30, Colombia vs. Venezuela, Argentina vs. Peru.

South American Group Three

Paraguay 3, Bolivia 0

Points Standings: Paraguay 3; Brazil 2; Bolivia 1.

Football

USFL Standings

EASTERN CONFERENCE

	W	L	T	Pct.	PF	PA
x-Birmingham	12	4	0	.750	408	276
New Jersey	10	5	0	.667	352	305
Memphis	9	7	0	.563	359	309
Tampa Bay	9	7	0	.563	377	370
Jacksonville	8	7	0	.533	341	334
Baltimore	8	7	1	.531	289	240
Orlando	4	12	0	.250	281	433

WESTERN CONFERENCE

	W	L	T	Pct.	PF	PA
x-Oakland	11	4	1	.719	408	309
x-Denver	11	5	0	.688	410	324
Houston	9	7	0	.563	474	336
Arizona	7	9	0	.438	327	357
Portland	5	11	0	.313	239	384
San Antonio	4	12	0	.250	254	374
Los Angeles	3	13	0	.188	246	418

(x-clinched playoff berth)

SUNDAY'S RESULTS

Denver 16, Houston 13
San Antonio 31, Los Angeles 27

SPORTS BRIEFS

Maltbie Birdie Wins U.S. Golf Playoff

HARRISON, New York (NYT) — Roger Maltbie sank a seven-foot (two-meter) birdie putt on the fourth hole of a sudden-death playoff Sunday to beat George Burns and Ray Floyd in the Westchester Classic golf tournament.

All three birdied the 18th hole of the final round to finish at nine-under-par 275 for 72 holes. Maltbie could have won on the second or third playoff holes but he missed the birdie putts. At the par-3 16th, Maltbie was the only one to hit his tee shot onto the green. Burns went into the left bunker and Floyd landed in deep rough near that bunker.

Elliott Takes 6th Grand National Race

LONG POND, Pennsylvania (AP) — Bill Elliott won his season's sixth Grand National stock car race Sunday, taking advantage of a series of late caution flags in the Van Scoy 500 to charge into the lead 11 laps from the end, then holding off Harry Gant.

Driving a Ford Thunderbird, Elliott crossed the finish line just .4 of a second ahead of Gant's Chevrolet Monte Carlo SS. Darrell Waltrip was third in a Monte Carlo.

Elliott, who at 29 is dominating Grand National racing, now has won at least once on each of the eight super-speedways on which the Grand National circuit competes; he also has won eight of his last 13 races.

Trevino Takes Wing in British Masters

WOBURN, England (AP) — Lee Trevino, with an eagle 3 off what he called "probably the best shot I have hit in my life," won the British Masters Golf Tournament by three strokes Sunday.

The shot was a three-wood approach to the last hole. The ball traveled 255 yards, cut back into the wind and came to a halt six inches from the hole. Trevino started the last two rounds, both played Sunday because Thursday's was rained out, in ninth place and shot 69 and 67.

Rodger Davis of Australia was second. Severiano Ballesteros of Spain, still winless in Europe this year, was five back after rounds of 74 and 70.

For the Record

Mexico's national soccer team beat England, 1-0, in an exhibition match Sunday in Mexico City; it was the first Mexican goal and first Mexican victory over England in 26 years. *(AP)*

Calvin Peete, a two-time winner this year on the U.S. pro golf tour, may have to withdraw from this week's U.S. Open Championship because of chronic back trouble. *(UPI)*

The Illinois Racing Board has documented 19 cases of winning horses being doped with a potentially lethal narcotic, 10,000 times stronger than morphine, that is being used to drug horses and fix races in harness tracks throughout Illinois, the Chicago Sun-Times reported Sunday. *(UPI)*

Bernard Hinault of France won the Tour of Italy on Sunday; it was his third triumph in the cycling race. *(AP)*

The Philadelphia 76ers refused Monday to give up a first-round draft choice, as demanded, as compensation to the Detroit Pistons for hiring their coach, Chuck Daly. *(AP)*

Barry McGuigan, the new World Boxing Association featherweight champion, arrived home in Belfast, received a tumultuous greeting from a large crowd and said, "I am going to celebrate for a week and I hope everyone else does." *(AP)*

Promoters of a grand prix race in New York asked the international sanctioning body to withdraw the September date and place it instead on the 1986 racing calender. *(AP)*

ART BUCHWALD

Tax Reform Made Easy

WASHINGTON — The mail has been pouring in on tax reform.

Dear Sir,

I keep reading in the newspaper that the only people who will benefit from tax reform are the very rich and the very poor. How can the very poor benefit from a change in the tax laws?

Larry of Lafayette Park

Dear Larry,

The very poor will gain in this way. Their capital gains taxes will be cut from 20 percent to 17.5. So, for example, if poor people sell a piece of investment real estate or a block of stock, they will profit tremendously from the *reduced rates*. Secondly, while poor people may not be able to subtract the interest on their vacation homes, they will still be able to deduct the interest on their principal residences. Thirdly, even though poor people will be limited on deducting business travel and entertainment allowances, they will be able to keep more of their $3.50-an-hour minimum wage.

Buchwald

Dear Sir,

My company makes computer chips. We have a special box for the Dallas Cowboys home games where we entertain our customers. Under the new tax bill we will not be able to deduct the cost of the box. How can we sell chips if we *can't take our clients to watch the* Cowboys play?

Horatio Alger IV

Dear Horatio,

For starters you might make a *computer chip that works.*

Dear Sir,

Why is the president so insistent that state and local taxes no longer be deducted from your federal taxes? He keeps referring to my state as a wasteful spender.

Worried New Yorker

Dear Worried New Yorker,

The president *doesn't* like your state because you have a Democratic governor, and if Mr. Reagan can make life miserable for him, Mr. Cuomo won't be able to get his party's nomination in 1988.

Dear Sir,

How much revenue will President Reagan's tax reform bill bring into the Treasury?

Just Curious

Dear Just,

The president's tax simplification is "revenue neutral," which means that by the time the lobbyists and Congress get through with it, there will be a lot less money coming in and the deficit will grow even larger than it is now.

Dear Sir,

Then why is he doing it?

Just Curious

Dear Just,

You already asked a question. Let someone else have a chance.

Dear Sir,

Why doesn't President Reagan in his tax reform speeches mention that the real reason people are so mad at the present system is because the Internal Revenue Service computers don't work, and the people who work for the IRS are always trying to scare the hell out of us.

Frightened Silly

Dear Silly,

When the president talks about tax abuse, he never likes to point the finger of blame at anybody. It's just not his style.

Dear Sir,

My brother and I are two people who believe that the more complicated the IRS tax forms are, the better it is for the American people. We say Washington should keep its cotton-picking hands off the Form 1040. Could you please pass on this message to Mr. Reagan and the Congress?

H & R Block

Dear H & R,

It's done.

Book-Fair List Is Approved

New York Times Service

NEW YORK — The Association of American Publishers, which two weeks ago repudiated its own committee over its selection of American books for an exhibit at the Moscow Book Fair in September, *has now decided that no* changes are necessary in the 313 books chosen.

New Cachet for an Old Drink in Japan

By Clyde Haberman
New York Times Service

KYOTO, Japan — Masuko Ito, who runs a small bar in Yokohama, had no intention of ever selling the stuff. "It did not fit our shop's style," she said, her voice coated with a thin layer of hauteur. But customers kept insisting, and about a year ago Mrs. Ito and her husband, Hiroshi, broke down and finally added it to their drink list. Now, she says, it accounts for about 60 percent of her business.

The stuff is called shochu, a colorless, odorless but not always tasteless spirit distilled from rice, barley, potatoes, chestnuts or just about anything else that the mind can conceive and the stomach can bear.

It is a centuries-old Japanese drink that seemed to be dying out only a decade ago, dismissed by many newly affluent Japanese as unworthy rotgut. Suddenly, as the Itos learned, *shochu* has become the honest drink in Japan.

A government report last month revealed that, on the strength of its popularity among young people and a high-powered promotion campaign, *shochu* sales leaped in 1984 by 40 percent, on top of a 30-percent rise the year before. The 137 million *gallons (518 million liters)* bought, and presumably drunk, last year were more than 2.5 times the *shochu* intake in 1976.

Meanwhile, sales of whiskey, beer and *sake* have slumped badly. Together, they still account for 88 percent of all alcohol sales. But *shochu*, with 7.5 percent of the market, has moved past whiskey and now trails only beer and *sake* in popularity.

Minoru Kukita, president of the country's leading *shochu* manufacturer, the Kyoto-based Takara Shuzo Co., believes his success will last a while. Japan, he said, *had joined a worldwide* "white revolution," a shift from traditional drinks associated with two-fisted types in favor of what are perceived to be lighter beverages such as white wine, vodka and gin. Kukita mentioned "the growth in American vodka consumption," which, until about 1980, produced two decades of ever-increasing sales. "So maybe we'll have the same thing here for *shochu*," Kukita said.

Sonia Katchan/Photo Shuttle: Japan

Students drinking *shochu* at a party in Tokyo.

Some Japanese look upon the phenomenon with no less surprise than Americans might register if Spam suddenly were regarded as the ideal accompaniment to fine wine and cheese. *Shochu*, which ranges from 40 to 70 proof or higher, had been dismissed for years in some circles as fit only *for farmers* and fishermen. And in this country's postwar march toward prosperity, one tried to avoid drinking in public beneath's one station.

This is not to say that *shochu had lost its appeal entirely*. Many Japanese who regarded themselves as paragons of good taste preferred it to other alcoholic beverages. Indeed, some enjoyed debating the relative merits of brands produced by the 800 or so small distilleries scattered across the country.

Traditionalists like their *shochu* straight or cut with hot water. They *lean toward a more pungent* variety known generically as *otsurui*. This is distilled to a moderate level of purity; depending on its quality, it carries a flavor that at best is bracing and at worst gives the impression of having been filtered through old socks.

The other main *shochu* type, *korui*, is spearheading the present surge. It has no taste and, like vodka, mixes well with fruit juices or sweeteners.

"I can drink it rather quickly, just like soft drinks," said Junko Hasegawa, 27, a Tokyo office worker. "I drink it at home before going to bed. It can taste like lemon soda, but it makes you sleepy at the same time."

Takara Shuzo started the boom slowly in 1977 by marketing a highly distilled *shochu* called Jun, which means "purity." Then in 1983, the company began mixing *shochu's* alcohol with fruit flavors and selling the results in cans under the name Can Chu-Hi, a *merger of the second syllable of shochu* and the first syllable of highball.

Sales were helped mightily when the company gave Chu-Hi the nickname Tokyo Drink — in English, since Japanese commercialism still relies on English oddments — and put John Travolta on television at his supple best. Travolta bumps a little here, grinds a little there, holds up a Chu-Hi can and says, "Tokyo Drink," which is as close as he comes to speaking Japanese.

"Younger people don't know that it was regarded as a poor, lower-class, unacceptable drink," Kukita said.

Even he, however, was surprised by the extent of *shochu's* following. In 1983, Kukita said, the company expected to sell 2 million cases, or 48 million cans, of Can Chu-Hi; instead, it sold 5.8 million cases. Sales have been helped by the government's policy of *taxing shochu at a rate* much lower than the rates applied to other alcoholic beverages — a practice that reflects benign neglect of a drink that, until recently, had not sold well. In Japan, nearly half the price of a bottle of beer goes to the tax collector. The government's take is 50.3 percent on a bottle of high-quality whiskey and 40.1 percent for the best *sake*. But it is only 14.4 percent for *korui shochu* and 8.7 percent for *otsurui*.

Thus, a quart of *shochu* costs about $2.10, while a bottle of decent domestic whiskey is nearly $16. (Although its sales are growing, wine still accounts for less than 1 percent of the market in Japan.)

The government's interest in elbowing its way to the bar is understandable. The Japanese drank a total 1.9 billion gallons of alcoholic beverages last year, a 3.2-percent drop from 1983 but still worth $20 billion. In 1983, *according to the Japan Trade* Center in New York, the per-capita consumption for Japanese adults was 18 gallons (68 liters) of beer, slightly more than 4½ gallons of *sake* and slightly more than a gallon of whiskey.

PEOPLE

Super Concert for Hungry

Some of the biggest rock stars of the last two decades will take part in concerts in London and Philadelphia on July 13 to raise money for Ethiopian famine victims, organizers said Monday. "The idea is to have a global jukebox under the banner 'Live Aid,'" said Bob Geldof, leader of the specially formed famine-relief rock group Band Aid, which will stage the events. "The most important people in the music world of the past 20 years will be taking part and will be giving their services free," said Geldof, lead singer for the Boomtown Rats, at a news conference. The concerts will be staged at Wembley Stadium in London and the John F. Kennedy Stadium in Philadelphia. Seven telecommunication satellites will beam the shows to an estimated audience of one billion people around the world, including the Soviet Union and China. Stars performing at Wembley will include **Adam Ant, Boomtown Rats, David Bowie, Phil Collins, Elvis Costello, Dire Straits, Elton John, Howard Jones, Nik Kershaw, The Pretenders, Queen, Sade, Sting, U2, Ultravox, Wham, The Who** (specially reformed for the event) and **Paul McCartney**. In Philadelphia the entertainers will include **Mick Jagger, Eric Clapton, Duran Duran, Billy Ocean, Paul Simon, Tears for Fears, Neil Young** and **Stevie Wonder**. Geldof said he hoped the event would raise at least $12.5 million for the Ethiopian victims. Band Aid has already raised $9 million.

□

The Japanese director **Shinji Somai** won the first Tokyo International Film Festival's young director contest Sunday for his 1984 film "Typhoon Club." The contest, the only competitive section in the festival, was open to directors under 40. Somai, 37, won $750,000 toward the cost of his next film. An award for excellence worth $500,000 went to the 36-year-old Hungarian director **Peter Gothar** for "Time Stands Still," made in 1981. The Turkish director **Ali Ozgenturk**, 37, won the Ozu Prize, a tribute to the Japanese director **Yasujiro Ozu**, and $250,000 for "The Horse." Other films singled out for special jury awards were "Jacques and November" (1984), by the Canadian directors **François Bouvier** and **Jean Beaudry**, and "Kiss of the Spider Woman" (1985), by the Brazilian **Hector Babenco**. 39. The main event of the 10-day festival was the world premiere of the Japanese film "Ran" (Ruin). The monumental movie, by the 75-year-old **Akira Kurosawa**, set in the 16th century and based on Shakespeare's "King Lear," received rave reviews, but it was not in competition. . . . The producer-director **Steven Spielberg**'s "Gremlins" received five "Saturn Awards" Sunday to lead all other films in the 12th annual Science Fiction, Fantasy and Horror Films presentations in Los Angeles. It won awards for best horror film, best direction, best special effects, best music and best supporting actress. "The Terminator" won the award for best science fiction film, and "Ghostbusters" *was voted the best* fantasy film of the year. **Jeff Bridges** won the prize for best actor for his performance as the alien in "Starman," and **Daryl Hannah** was voted best actress for her mermaid in "Splash."

□

Jacques Cousteau and his crew sailed his research ship, Calypso, up the Potomac River Saturday and docked at the waterfront in Washington for Riverfest '85. The riverfront festival, in its second year, was designed by **Mayor Marion Barry** to promote the historic waterway and the efforts to stop the pollution in the Potomac. About 1,600 people gathered to watch the Calypso pull into the pier with a fleet of tall ships behind.

□

It's hard to find Coke drinkers who prefer the new, sweeter, weaker Coke to the real thing, but the Coca-Cola Co. is maintaining a good front. Its president, **Brian Dyson**, says the company has received 40,000 telephone calls and letters, most of them negative, since the new taste was announced five weeks ago. Nevertheless, he pointed out, the negative response has been less than was anticipated. Pepsi-Cola, meanwhile, is feeling effervescent. It reports May sales up 14 percent, the highest for any month in the firm's 87-year history. Coke contends that the true results of its change, which was made to fend off the charging Pepsi, won't be known until 1986, after its costly marketing program has had a chance to take effect.

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